

THE LEVEL OF DELIBERACY IN INTERNATIONAL MARKET SELECTION STRATEGY: A LOOK AT A FINNISH MULTI-SIDED PLATFORM START-UP

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Abstract

Background

Recently, there has been a growth in literature pertaining to international market expansion of companies described as ‘born globals’. Within this sphere, multi-sided platform businesses that connect two or more sides of a market, have gained significant traction. Much of the current research has focused on analysing the way the companies internationalize. There is, however, a gap in research relating to how the specific international market selection strategies are formed at early stage companies and with what level of deliberacy. Scholars such as Spence (2003) and Crick and Spence (2005) look into the level of deliberacy in start-up international market selection but do not take an in-depth look into how it is formed and what factors influence it. The thesis sheds light on the strategy process within a highly dynamic environment and helps understand the intentions and patterns of the case company in view of international market selection.

Objectives

The main objective of the study was to understand the initial international market selection strategy formation and execution from the perspective of deliberacy. This was achieved through an in-depth case analysis of a Finnish multi-sided platform start-up that was at a nascent state of development. The second objective focused on understanding the underlying processes resulting in the selection of a given internationalization market over another one. This was done by analyzing the key motivators in market selection decisions.

Conclusions

The key finding of the research was that the level of deliberacy in initial international market selection was driven by resource constraints and the managerial perceptions of the founders. These factors introduced a situation under which there were clearly identified internationalization markets based on the founders’ vision. The international market selection thus followed an entrepreneurial strategy path, as described by Mintzberg and Waters (1985). In contrary to existing literature, a highly emergent network view did not seem to be the fundamental approach to the selection of international markets.

Keywords Internationalization, International market selection, deliberate strategy, emergent strategy, multi-sided platform, born-globals, strategy formation

Table of Contents

1. Introduction.....	4
1.1 Background	4
1.2 Research gap	4
1.3 Research questions	5
1.4 Research sub-questions	5
1.5 Research approach.....	6
1.6 Contributions.....	6
1.6.1 Academic	6
1.6.2 Practical	6
1.6 Thesis structure	7
2. Literature review	8
2.1 An overview of internationalization.....	8
2.2 Frameworks of internationalization	9
2.2.1 The Uppsala model	9
2.2.2 The Eclectic model	9
2.2.3 The Managerial model.....	10
2.2.4 The Network model.....	10
2.2.5 – Summary of internationalization models.....	11
2.3 Motivators for internationalization.....	12
2.3.1 The traditional approach.....	12
2.3.2 The born global approach	12
2.4 International market selection	14
2.4.1 International business approach.....	14
2.4.2 International marketing approach.....	14
2.4.3 International market selection of high-technology small companies	15
2.4.4 International market selection of multi-sided platforms.....	15
2.5 Strategies of internationalization.....	16
2.5.1 An overview of strategy	16
2.5.2 The lean start-up strategizing	16
2.5.3 Internationalization strategies in small entrepreneurial firms	16
2.5.4 Deliberate and emergent strategies.....	18
2.5.5 Deliberate and emergent strategies in international market selection	19
2.6 Conceptual framework	21

3. Methodology	23
3.1 Rationale for in-depth case-study qualitative approach	23
3.2 Research design.....	24
3.3 Research philosophy	25
3.4 Limitations	26
4. Findings.....	27
4.1. Company overview and perceptions of internationalization.....	27
4.1.1 Company overview	27
4.1.1.1 Organizational Structure	28
4.1.2 View of internationalization	29
4.1.2.1 Differentiating based on platform side	29
4.1.2.2 Localization of the platform.....	31
4.1.2.3 Attitude towards internationalization.....	31
4.2 Pre-formalization.....	33
4.2.1 First Internationalization efforts	33
4.2.1.1 Motivators for selecting the US market.....	33
4.2.1.2 Outcomes of the internationalization efforts.....	35
4.2.2 Refocus of international market selection	36
4.2.2.1 Key considerations for market selection.....	36
4.2.2.2 Priority Markets	36
4.2.3 Detecting the need for a strategy	37
4.2.3.1 Trigger and lingering thoughts.....	37
4.2.3.2 Views on past thought path.....	38
4.2.3.3 Views on future efforts	39
4.2.4 Synthesis of views and plans	39
4.2.4.1 Country Mentions	41
4.2.4.2 Country clustering.....	42
4.3 Formalizing of the strategy	44
4.3.1 Key assumptions of the strategy.....	44
4.3.2 The strategy vs. initial ideation.....	44
4.4 Post-formalization	46
4.4.1 General Remarks	46
4.4.2 Cornerstone internationalization locations	47
4.4.2.1 Nordics	48
4.4.2.2 US	49

4.4.2.3 Shifting away from Germany.....	49
4.4.2.4 Shifting away from China.....	50
4.4.3 Intermediate internationalization locations	51
4.4.3.1 Internationalizing to Amsterdam	51
4.4.3.2 Internationalizing to London.....	52
4.4.4 Summary of market selection motivators	53
4.4.5 Shifting cornerstone.....	54
4.4.5.1 Amsterdam vs. the Nordics.....	54
4.4.5.2 Plans for London.....	55
4.4.5.3 Plans for New York	55
4.4.5.4 Other country plans.....	56
4.5 Summary of findings section.....	57
5. Discussion.....	58
5.1 Revisiting the conceptual framework.....	58
5.2 Contributions.....	59
5.2.1 Academic.....	59
5.2.1.1 Deliberacy and emergence	60
5.2.1.2 On multi-sided platforms	60
5.2.1.3 International marketing	61
5.2.1.4 On internationalization frameworks	62
5.2.1.5 On born globals.....	63
5.2.2 Practitioner.....	64
6. Conclusion	66
6.1 Key take-aways	66
6.2 Limitations	67
6.3 Suggestions for future research	67
7. References.....	70

1. Introduction

1.1 Background

The topics of internationalization and international market selection have been intriguing researchers for decades. Various conceptual frameworks describing how companies expand to new foreign markets have been proposed ranging from the Uppsala model to the network theory of internationalization (Johanson & Vahlne, 1977; Johanson & Vahlne, 2009). The disruptive impact of technology on the way that business and national boundaries are understood has also led to the need to revise the way internationalization is studied (Madsen & Servais, 1997).

In the new environment, it is even more important to understand how companies move into new markets. Driven by the development of technology, new technology focused start-ups have been exponentially sprouting. These start-ups usually perceive internationalization as a necessity rather than choice when starting operations. The name ‘born global’ has been used to identify these businesses (Madsen & Servais, 1997; Sharma & Blomstermo, 2003).

An even more current topic revolves around the theme of multi-sided platforms (MSPs). Multi-sided platforms link two or more market sides as intermediaries that internalize market risks (Hagiu, 2014). Examples include Uber, Airbnb or Facebook. Much attention has been paid to strategizing within these entities, but the literature on the internationalization processes is highly limited.

Finally, a lot of attention has been given to the issue of strategy in general. Within the field, the topic of intention has received a high degree of focus. Specifically speaking, looking at the deliberacy or emergence of strategies that a company utilizes and the effect these has on the management of an entity has grown in significance. This aspect is even more exciting with regards to the field of start-ups as the level of planning in that environment has been a widely-debated issue (Ries, 2011).

1.2 Research gap

It has become increasingly important to understand how these new ‘born globals’, and more specifically MSPs, seek foreign markets. Current research heavily focused on the opportunistic paths that these entities use when seeking new markets (Spence, 2003). Characteristics of the founders, key employees and their networks are key influencers in the process (Harveston et al. 2000). However, not much research has been focused on the underlying deliberate strategies

in the process. In this thesis, I aim to explore the issue of how multi-sided platforms, which could also be classified as born globals, form their internationalization strategy and seek to understand the level of deliberacy or emergence in the process. The deliberacy aspect of the thesis is studied using the strategy formation research of Mintzberg and Waters (1985). Specifically, I focus on the way in which strategies for selecting and penetrating new markets are shaped.

The issues of deliberacy and emergence are often not considered explicitly in works on internationalization. Spence (2003) has looked at high-technology firms in Canada using multiple interviews, however the research can be considered as dated. Furthermore, the research by Spence (2003) utilizes an approach which is based on the past recollection of events. This, in regard to emergent and deliberate strategies, does not seem to be the most viable approach given the time dilution that may occur with regards to some of the key driving forces behind decisions. Coupled with the use of a multi-case approach, the findings could lack a certain extent of depth. Therefore, my research provides a modern view at the issue in a new context following a more in-depth qualitative approach.

1.3 Research questions

The research questions for the thesis are as follows:

1. What are the key decision factors and influences for a technology start-up in international market selection strategy formation?
2. How emergent or deliberate is the international market selection strategy process in a nascent high-technology start-up?

1.4 Research sub-questions

To map out the research questions, the study addresses the following questions with particular focus on:

1. What shapes international market selection decisions made within a high-technology multi-sided start-up?
2. What are the key considerations and motivators during the process?
3. How much prior intention is there in international market selection decisions?
4. How emergent are the international market selection decisions that are made?

The issues listed above serve as sub-questions that are used in aiding a thorough analysis of the research topic.

1.5 Research approach

In exploring these questions, an in-depth qualitative case-study is utilized. The specific research questions have not been explored in detail by previous studies using the approach and context that I propose. At this stage, it is important to highlight that the study firstly identifies the current states through the ‘what’ research question (research question no. 1) as well as a more casual relationship which is looked into through the ‘how’ question. This allows for an understanding of the current state while at the same time allows for the flexibility to explore broader aspects linking to causes and consequences of actions (Eriksson & Kovalainen, 2015).

1.6 Contributions

The research provides both academic and practical contributions. These contributions are applicable to multiple fields.

1.6.1 Academic

In the academic sphere, the findings of this thesis shed light on the field of emergent and deliberate strategies in high-technology start-ups. This is particularly interesting due to the high dynamism in these entities coupled with the temporal aspect of technology utilization. Furthermore, the research helps understand the processes of internationalization in a new light. Focusing on the initial market selection criteria adopted by start-ups aiming to be born global can provide interesting insights into the existing literature which mainly looks at internationalization activities from a past perspective. This research allows for a real-time understanding of the processes in initial international market selection and expansion. Finally, the research sheds light on the internationalization processes within technology enabled multi-sided platforms which has previously not received researcher attention.

1.6.2 Practical

On a more practical level, the research provides insights on how start-ups can be supported to most efficiently enter new markets. This is an important aspect both from the perspective of the start-up itself as well as from the perspective of governmental policy. New insight into the initial expansion process and the emergence or deliberacy of the process allows for a more efficient allocation of resources. Multi-sided platform business can benefit from the research conducted here by gaining a more in-depth understanding of the key issues associated with internationalization in the nascent stages of development. Additionally, the thesis provides recommendations with regards to the strategies in the context of multi-sided platform expansion given their specific nature.

1.6 Thesis structure

The thesis is divided into five parts. The first section looks into the current literature and theoretical perspectives on the topic. Section three covers the methodology of the study in greater depth, while section four provides the key findings of the research. The thesis is then continued with a discussion section. Finally, the conclusions section looks into the key take-aways and limitations of the thesis along with recommendations for future research.

2. Literature review

2.1 An overview of internationalization

Internationalization is one of the key aspects in both international business and international marketing research (Johanson and Vahlne, 1977; Madsen and Servais, 1997). Research in the field has been conducted for decades now. The initial definitions of internationalization describe it as a process of gradual commitment increments to new international markets following specified stages (Johanson and Vahlne, 1977). Further research by Turnbull (1987) also looked at the phenomena in light of an outward expansion of the firm however questioned the boundaries of the stage expansion concept. Other researchers, including Dunning (1988), focused on more specific areas of research such as the foreign direct investment aspect of internationalization and described it as an activity of commitment to a given market.

More recently however, it has also been suggested that internationalization should not only be focused on the ever-expanding international operations, but also in view of decreasing commitments to foreign markets and changes in entry modes (Calof & Beamish, 1995). Calof and Beamish (1995) provide perhaps the most encapsulating definition of internationalization as “the process of adapting firms’ operations (strategy, structure, resource etc.) to international environments” (p.116).

A growing trend has also been a focus by researchers on internationalization as network movements within the global marketplace. Johanson and Vahlne (2009) provide the most concise description of this movement. In the new approach, a much broader range of factors and actors is considered as part of the international activities. The recent improvements in information technology have also led to the introduction of new spheres to internationalization research, most notably the ‘born global’ phenomena of companies that are established with the intention of being international (Madsen & Servais, 1997). The next section outlines some of the key frameworks used to understand internationalization and cover the above-mentioned research streams in greater detail.

2.2 Frameworks of internationalization

There are four major internationalization frameworks that have been developed over the years. These are: the Uppsala model, the eclectic model, the managerial model and finally the network-based model (Johanson and Vahlne, 1977; Dunning, 1988; Kuivalainen et al. 2012; Johanson and Vahlne, 2009). All of these models are discussed in greater detail below, however at this point I would like to mention that the first two models represent more traditional views on internationalization while the latter two represent a more modern approach to the matter. It is also interesting to note that past literature focused mainly on frameworks applicable to large organization, while more recent studies have developed views which better suit smaller companies in more turbulent markets.

2.2.1 The Uppsala model

One of the most established internationalization models is the Uppsala model proposed by Johanson and Vahlne (1977). The Uppsala model assumes a gradual increase in commitment to a market based on market knowledge and market activities. The model introduces four stages of entry models in the following order: unregular direct exports - sales agent - sales subsidiary - production facilities. Initial internationalization is guided towards physically and psychically close countries. The model has been criticized by academics such as Forsgren (2002) as too broad and unpredictable of actual internationalization patterns. Furthermore, the model only describes the internationalization patterns of large exporters in a traditional industry and is considered as outdated by some, especially in the small firm high technology environment (Coviello and Munro, 1997). The model has been a cornerstone in internationalization research, however it has been since revised even by Johanson and Vahlne (2009) who have acknowledged its shortcomings.

2.2.2 The Eclectic model

The eclectic model approach was spearheaded by Dunning (1980) and later refined in Dunning (1988) as a means of explaining the internationalization of multinationals. There are three aspects that form the core of the approach: ownership, locational and internationalization advantages. The author argues that companies will internationalize in a manner which maximizes the utilization of their ownership advantages to the market with highest levels of locational (OLI) advantages. Further, the author also argues that the company can achieve internationalization advantages through prior experience. Even though this theory was developed for multinational enterprises, scholars such as Brouthers et al. (1996) have used to analyse smaller companies – in this specific case computer software companies. The

framework has received criticism, especially in the ownership aspect due to its wide scoping, however Eden and Dai (2010) who focus on this specific aspect argue that Dunning's (1988) work still maintains relevance to current IB researchers.

2.2.3 The Managerial model

Kuivalainen et al. (2012, a,b) develop a model better suits modern economic conditions and bases on research conducted on early internationalization patterns of knowledge intensive SME's. Kuivalainen (2012, a) tracks three areas of antecedents which determine the path of internationalization: managerial level, firm level and environmental level. The model is different from previous approaches especially in the fact that it introduces the managerial level characteristics as an important determinant of internationalization. The issue of managerial mindset has been tackled by previous researchers, such as Harveston et al. (2000) or Weerawardena et al. (2007), however the framework proposed by Kuivalainen et al. (2012, b) elevates its importance to the same level as firm and environmental factors. The role of the managerial level of an organization is crucial in the case of small and medium sized companies as well as start-ups due to the strong role of the management (Kuivalainen et al. 2012, a).

2.2.4 The Network model

One of the most recent and highly valued frameworks on internationalization is the network view of international market activities. The proponents of this view focus their analysis on the networks that the firm has and how it exploits them to internationalize. Zain and Ng (2006) look at how a SME's networks can trigger and motivate its internationalization to a given country. They also argue that networks can impact the mode of entry and help gain initial credibility in new markets. Sharma (2003) focuses on born globals and the way that pre-setup connections and ties of the company founders can impact the internationalization activities. Johanson and Vahlne (2009) have made revisions to their initial model of internationalization and have started to advocate the network view as well. In the new approach the authors focus on the role of networks in overcoming the liability of outsidership and means of decreasing uncertainty associated with given markets. In Johanson and Vahlne (2013), it is further argued that there is a move from internationalization into a sphere which they refer to as network coordination. The network based view has become a prominent view in the sphere of internationalization, especially in the area of SMEs and born globals.

2.2.5 – Summary of internationalization models

This section provides a summary of the internationalization frameworks with regards to their key notions on the process of internationalization. The summary table below, Table 1, presents the synthesis of sub-section 2.2 of the literature review.

Table 1 – Summary of internationalization frameworks

Model	Key proponents	Key notions
Uppsala	Johanson and Vahlne (1977)	Companies internationalize to countries that are physically and culturally closest through a series of commitment increasing steps.
Eclectic	Dunning (1988)	Companies will internationalize to markets in which they can best exploit locational features and best utilize their ownership advantages.
Managerial	Kuivalainen et al. (2012, b)	Managerial mindset towards internationalization and international markets has a high impact on the process.
Network	Johanson and Vahlne (2009)	Companies internationalize into markets through the networks that they possess or obtain in a process of gaining an insider position in the network.

2.3 Motivators for internationalization

In order to look into greater depth with regards to international market selection, it is first important to note the key motivators that drive companies to internationalize to foreign markets. It is possible to distinguish two main streams of thought in this area. Most earlier works looked at internationalization from the standpoint of established companies that had reached peak levels of their home markets and wished to move into new countries in search of increased sales. On the other hand, in the past few years a new strand of research has appeared which looks at companies that internationalize almost immediately post-formation. Although there are similarities in the motivators in both of the above-mentioned areas, one should consider them separately in order to understand the subtle differences in reasoning.

2.3.1 The traditional approach

In the traditional view, internationalization is initially primarily motivated by the desire to increase sales. This is the view taken by Johanson and Vahlne (1977) who view the first step of internationalization as the establishment of direct sales followed by a sales agent representation; therefore, the primary motivator seems to be the potential of increased sales and revenues. Dunning (2000) goes further and provides a summary of the four key activities that multinationals engage in international markets and their motivators. The first factor is market seeking; or in other words, increased sales. The second is resource seeking; or gaining access to a given markets resources. The third is efficiency seeking; or specialization for cost reduction. Finally, Dunning (2000) highlights the need for companies to look for strategic assets abroad which facilitate the company's competitive advantage. Even though some of these motivators may be shared by born globals, they were developed on the activities of more established companies that already have operations in multiple countries.

2.3.2 The born global approach

Madsen and Servais (1997) present the most comprehensive set of born global drivers. The authors argue that the domestic market, if existent, serves a learning place for developing a product for the international market. The authors discuss three areas causing companies to internationalize from the outset: new market conditions, technological development, and enhanced capabilities of the employees. Knight and Cavusgil (2004) also point to the importance of a change in the managerial mindset which leads to an organization to be more international throughout. Additionally, the authors point to the fact that born globals are becoming more common in countries with a large market for a respective product; previously, born globals were previously mainly prevalent in smaller countries with smaller markets

enforcing the need to find customers abroad(ibid.). This trend is driven by two factors which decrease overall transaction costs: firstly, the globalization of markets and homogenization of products; and secondly, technological advances that increase the efficiency with which transportation and communication can occur. The issue of homogenization of markets and social norms motivating the development of born globals is also discussed by other scholars, such as Oviatt and Mcdougall (1997). Mcdougall and Oviatt (2000) further signal that the decreasing number of trade barriers and access to internet provide further fuel for the born global phenomena. It is also important to note that authors such as Oviatt and McDougall (1994) point to a phenomenon of international new ventures which defines companies that not only look to international markets for increasing sales but also for sourcing initial resources including staff.

2.4 International market selection

After understanding the conditions which motivate companies to internationalize, it is possible to move into the discussion of how businesses select their internationalization destination. Each of the internationalization frameworks discussed in previous sections has a different view on the factors influence market selection; this section analyses them with particular attention to market selection. Furthermore, the section includes new perspectives from the field of international marketing and their stance on market selection.

2.4.1 International business approach

According to the Uppsala model, market selection is driven by physical and psychic proximity as well as the knowledge regarding a given market (Johanson and Vahlne, 1977). This approach stresses the importance of understanding a given market and thus labels it as a primary criterion in market selection. The OLI approach on the other hand encompasses a larger group of economic decision factors, with market selection being based on an analysis of ownership, locational and internationalization advantages that a company could utilized (Dunning, 1980). The managerial approach proposed by Kuivalainen et al. (2012a) adds an additional criterion in the form of the managerial perception of a given market as one of the basis for market selection. Finally, the network based view advocates network selection based on established connections (Johanson and Vahlne, 2009). Under this view, the primary determinant for market selection is the amount of connections in a given location. It is also suggested that companies usually follow their network partners when moving into new markets (Zain and Ng, 2006).

2.4.2 International marketing approach

A slightly different approach to international market selection is taken by IM scholars. Brouthers and Nakos (2005) focus their research on advocating a systematic approach to international market selection by small export companies. They propose using objective market data to make selection decisions. A more holistic view is held by Sakarya et al. (2006) who believe that international market selection should be based on the assessment of not only political and microeconomic factors but also on dynamism and future market potential. At the other end, Coviello and Munro (1995) take a stance closely associated with the network view proposed by international business scholars. They focus on high-technology firms and argue that especially initial market selection is largely driven by the networks of a company and their exploitation.

2.4.3 International market selection of high-technology small companies

In the international market selection, it is important to note that most of the literature pertaining to small high technology companies utilizes the network based view as a determinant of international expansion (Zain and Ng, 2006; Coviello and Munro, 1995). However, there are researchers who explain the market selection decisions of small companies using the traditional frameworks discussed here. Chetty and Campell-Hunt (2004) compare the internationalization paths of traditional and born globals companies from New Zealand. The authors concluded that physical distance played a role for both groups of companies in deciding on international markets. This view is in line with literature that suggests star-ups are limited in their market selection due to their resource constraints (McDougall et. Al., 1994) Therefore, it is important to highlight that even though the new trend is to analyse companies based on a network perspective, certain aspects of the traditional theories can still be deemed applicable, thus they were discussed here.

2.4.4 International market selection of multi-sided platforms

Before moving into the literature pertaining the market selection of multi-sided platforms(MSPs), it is important to establish the base definition of a MSP. For further reference, multi-sided platforms can be defined as ‘technologies, products or services that create value primarily by enabling direct interaction between two or more customer groups’ (Hagiu, 2014, pp. 71).

Having the definition in mind, it is important to highlight that the amount of literature looking into the internationalization of multi-sided platforms is highly limited. However, several articles have attempted to look into the issue, albeit somewhat indirectly. Jones and Onetti et. Al. (2010) look into the business model decisions that multi-sided platforms should consider under the assumption of operating in multiple countries. One of the key arguments that the authors make is that international market selection should be carried out in light of where core activities should be located and in terms of relationships with other network players. A thesis undertaken by Seppanen (2012) looked into the internationalization of a Finnish e-commerce platform. The findings of the thesis suggest that initial internationalization was driven by cultural proximity, specifically referring to language. The company thus chose Sweden and Norway as internationalization locations. These findings are in line with the previously discussed research by Chetty and Campell-Hunt (2004).

2.5 Strategies of internationalization

2.5.1 An overview of strategy

The term strategy initially originated from the military world and was later transferred to the world of business (Nickols, 2012). A base definition that one can use is provided by the BusinessDictionary (2016) that defines it as ‘a method or plan to bring about a desired future, such as the achievement of a goal’. However, there is also a wide array of definitions and perspectives that scholars take on the matter. One of the most prominent early definitions was provided by Steiner (1979) who viewed strategy as a set of plans to counteract the actions of competitors. Porter (1996) provides a more modern look at the matter and views strategy as a means of differentiating oneself from competitors in order to achieve a competitive advantage. Finally, Mintzberg (1994) takes a view that people use the word strategy in four main ways: as a plan, as a pattern, as a position or as a perspective. The author argues that the definition of strategy depends on which of the above-mentioned approaches it is looked through. In a later article, Mintzberg (1999) further highlights the complexity of the strategy field by identifying ten schools of strategy. On a more general level, Mintzberg (1994) views strategy as a more complicated phenomenon with strategy emerging through deliberate and emergent actions. The issue of emergent and deliberate strategies will be discussed in greater detail in section 2.5.4.

2.5.2 The lean start-up strategizing

In recent years, a new concept relating to strategizing within start-ups specifically has gained significant traction. This is the ‘lean start-up’ approach as advocated by Ries (2011). A key notion presented by Ries (2011) puts forward the idea that a start-up must be able to quickly adapt to the uncertain environmental conditions through optimization of the product and/or changes in the strategy of the company which is referred to as pivoting. The author also introduces a pyramid by which a product is developed and stresses that vision comes first, followed by strategy and finally by the product output (ibid.). The concepts introduced through the lean start-up philosophy also promote the need for start-ups to quickly readjust their strategic actions while also learning from past failures. The role of planning is underplayed and its role is perceived more in the form of learning rather than the actions that will actually result from the formalized documents.

2.5.3 Internationalization strategies in small entrepreneurial firms

At this stage, it is important to zoom into the relation between internationalization and strategic management within small entrepreneurial companies. Bell et al. (2004) highlighted the fact that the fields of internationalization and strategic management have not been studied with

relation to one another with enough depth. The authors further claim that this is even more evident in the case of small firm research. Jones (1999) motions that even though a small firm might not have a separate internationalization strategy, the ability to move to foreign markets is crucially important its growth and development. Thus, the argument that not all internationalization strategies are necessarily explicitly present within the company is made which is why it is important to look into the relationship between the business strategy and internationalization. An array of research has been conducted within the sphere and the following section outlines the key research streams.

Interestingly, various researchers call for the perception of the internationalization strategy as an essential interlinked into the overall firm growth strategy (Andersson, 2000; Bell et. Al., 2004). Thus, one could deduct that the internationalization serves as a tool in the overall growth strategy of a small firm and is closely associated with the overall business targets.

Studies conducted by Andersson (2000) advocate the view that international strategies within small firm strongly rely on the actions of the entrepreneur. Three types of entrepreneurs are identified: technical, marketing and structure. The technical entrepreneur is focused on technology and product development; thus, the internationalization strategies are more likely to be based upon external market demand. The marketing entrepreneur seeks new markets for the firm's products, and thus the international market expansion strategies are more likely to be aggressive and actively selected. The structure entrepreneur views internationalization in light of the larger strategy and as a means to an end through the use of mergers or acquisitions (ibid.). Similarly, Lamb et. al. (2011) who argue that the differences in internationalization patterns and strategies within small firms are highly reliant on the understanding of internationalization from the perspective of the owner. The characteristics and approach of the founders to international market expansion seen to heavily influence the types of strategies that are undertaken by the firm to internationalize.

Bell et al. (2004) present a more comprehensive model under which they point to the fact that the internal and external environmental influences shape the strategies which are formulated. The authors further assume that internationalization strategies are inherently derived from the overall strategy, thus facing the same factors in their development. Key internal factors that shaped the strategy development included firm resources and management characteristics, while key external factor included the general market conditions and industry trends (ibid.). It

is also worthy to note that Bell et al. (2004) claim that external factors, such as potent networks, only serve as a means to potentially overcome resources deficiencies that the company faces.

It is important to briefly consider the topic of the strategic decisions regarding the entry mode selection that are made within small firms. As concluded by Bell et al. (2004), most of the early internationalization choices regarding the selection of the appropriate entry mode are highly limited to either indirect or direct sales. This is driven by the resource constraints within the firm, and thus does not play as important of a role in initial internationalization considerations given this limitation. On a different note, researchers such as Burgel and Murray (2000) claim that the entry mode selection in small firms is a trade-off between the internal capabilities of the firm and the requirements needed to satisfy the customers in the foreign markets. This approach strongly highlights the need to perceive internationalization from the internal capability perspective. At this stage, it is important to highlight that there is a pattern in the research. The role of resource constraints is emphasized very heavily with regards to strategic choices made within the sphere.

2.5.4 Deliberate and emergent strategies

Having understood the general notions of strategizing with regards to internationalization in small firms, it is possible to move into the discussion of literature pertaining to deliberate and emergent strategies.

In their article ‘Of Strategies, Deliberate and Emergent’, Mintzberg and Waters (1985) look at the strategy formation in organizations at greater length. The authors argue that a company usually has an intended strategy, which, if realized in the planned manner, can be considered as deliberate. If, however, the intended strategy is not fully realized or modified during realization, it becomes emergent. The authors also note that intended strategies can be unrealized. In their earlier work Mintzberg and Waters (1982) view strategies as ‘consistencies in the behaviour of organizations’ (p.3). Thus, an emergent strategy can be considered as consistently formed based on certain patterns; while the deliberate strategy is formulated based on clear intentions (Spence, 2003).

It is also important to note that Mintzberg and Waters (1985) hint that a pure deliberate or pure emergent strategy is highly unlikely to materialize in the real world. The authors point to the fact that most strategies have some extent of both aspects. Using these arguments, Mintzberg and Waters (1985) identified a set of strategy paths: planned strategy, entrepreneurial strategy, ideological strategy, umbrella strategy, process strategy, unconnected strategies, consensus

strategy, and imposed strategy. The paths are listed in a manner that ranks them from most deliberate to least. The planned strategy assumes that all planned actions are implemented with no room for emergent strategies. The entrepreneurial strategy assumes a highly deliberate set of actions driven by the vision of the company founder. An ideological strategy assumes that a grand vision stimulates all subsequent actions. The umbrella strategy is more emergent, with an assumption that all actions flow in an uncontrolled manner under a set of general rules or constraints. The process strategy is similar to the umbrella one, however the actions are controlled as a result of the process requirements. An unconnected strategy refers to the situation where there are multiple streams of action within a company given the will of a certain unit or individual within the entity. The consensus strategy assumes that a set of actions eventually leads to the creation of a consensus actions that is unplanned and merely emerges as a result of the interaction of the action of various actors. Finally, the imposed strategy assumes a shift in the environment of the company which cause it to adapt its actions to the newly created situation (Mintzberg & Waters, 1985).

2.5.5 Deliberate and emergent strategies in international market selection

Spence (2003) looked into the strategy formation in high-technology firms in Canada and concluded that initial internationalization in small companies is triggered through emergent network strategies. This view is also held by Sharma and Blomstermo (2003) that signal the fact that born global internationalization is highly reactive. However, Spence (2003) additionally argued that the process of international market expansion occurs through the usage of both emergent and deliberate strategies, with a greater part being emergent. This idea is further developed by Crick and Spence (2005) in their study of high technology firms in the UK who argue for a more holistic approach in the analysis of high technology SME's. The researchers acknowledged the fact that internationalization strategies vary greatly and a more contingent view on the matter should be undertaken. Crick and Spence (2005) further find that elements of the old approaches to internationalization are indeed present in the internationalization patterns of high technology SMEs, however also argue that opportunistic market expansion is an important factor in the process.

The types of opportunistic behaviours are explained in greater detail by Satori (2012) who discusses the role of entrepreneurs in finding opportunities and whether or not they are created through random encounters or intentional events. An important note that multiple researchers make is that often times small companies are initially bounded by resource constraints (be it networks, contacts, employee knowledge, production capacity etc.) which also shape their

ability to internationalize (Spence, 2003; Sharma & Blomstermo, 2003; Coviello & Munro, 1995). On a general note, there seems to be scholarly agreement that both forms of emergent and deliberate strategies can be present in internationalization of high technology start-ups.

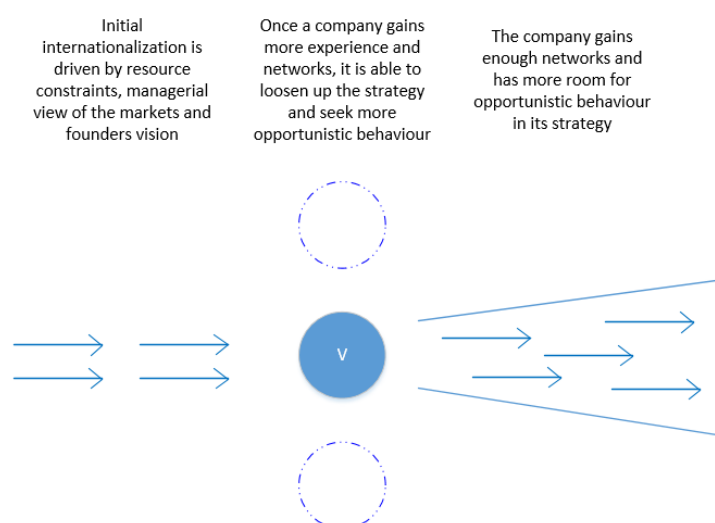
2.6 Conceptual framework

Although both Spence (2003) and Crick and Spence (2005) look into the internationalization patterns of high technology SMEs, they conduct their studies through multi-case and survey retrospective analysis. This approach could potentially distort the results as the initial intentions of managers and of the company could have been diluted by time; thus, creating a situation where strategies were seen as more emergent than they could have potentially been at the time of initial market selection.

In this thesis, I adopt my theoretical framework from Mintzberg and Waters (1985). Its key assumption is that, as in previous research (Spence, 2003; Crick & Spence, 2005), the initial market selection strategies are both emergent and deliberate. However, in this research, I argue that in the initial phases of internationalization the emergence strategies are bounded by certain pre-set deliberate strategies which the company forms based upon concrete intentions. Since initial internationalization decisions could be mile-stone moments for the company, I argue that the intentions of the founders, especially in the context of a small high technology company, are key to initial market selection. This is in line with research conducted by Andersson (2000) as well as Bell et al. (2004) who highlight the important role that the founders and or managers play in the initial internationalization activities.

Even when considering the network based view, one could reason that the founders of the company face the liability of newness which they must initially overcome in order to gain the full advantages of the connections (Johanson and Vahlne, 2009; Coviello and Munro, 1997). In later stages, perhaps more emergency arises which results from tighter network connections that allow for more opportunism. For a depiction of my proposed framework, please refer to figure 1.

Figure 1 – Conceptual Framework



The framework assumes that initially the international market selection is driven by the intentions of the managers, who have their specific intentions with regards to the process. The role of the intentions of managers and founders, especially in small companies was previously discussed (Kuivalainen, 2012a,b; Harveston et al., 2000; Weerawardena et al. 2007; Andersson, 2000). The traditional frameworks suggesting market selection based on distance and objective measures would also be applicable to this stage (Johanson and Vahlne, 1977; Coviello and Munro, 1995; Sakarya et al., 2006).

Therefore, as depicted in figure 1, initial market selection follows the more deliberate entrepreneurial path suggested by Mintzberg and Waters (1985). In the later stages, once more networks have been established and the initial liability of newness overcome, the company could afford to move towards a more umbrella based structure. The more modern approaches, such as network theory or change in managerial mindset could explain this phase (Johanson and Vahlne, 2009; Knight and Cavusgil, 2004). The umbrella based structure assumes that there are certain boundaries set along which strategies can be freely developed (Mintzberg and waters, 1985). This would represent a more emergent state of international market selection and allow for quicker and more unplanned actions. This state of the company and its operations would be more in line with the ideas of the ‘lean start-up’ as advocated by Ries (2011).

3.Methodology

The research primarily utilized a positivistic qualitative approach to derive the key findings. Only one aspect of the findings is based on a simple word-count and clustering approach which could be classified as a quantitative approach. Given this fact, this section focuses on the qualitative selection aspect as it was the visibly the more prominent research mode.

3.1 Rationale for in-depth case-study qualitative approach

In this thesis, I utilized a qualitative based approach based on an intense in-depth case study. The primary reason for this selection is the nature of the phenomenon of emergent and deliberate strategies which would be difficult to study through quantitative means. The nature of the study is largely exploratory which is where a qualitative approach is deemed more appropriate as compared to a quantitative one (Eriksson & Kovalainen, 2008).

One of the key underlying notions of utilizing a quantitative approach is the usage of a large sample size in order to provide generalizations applicable across a population (Myers, 2013). In doing this however, a quantitative research approach has the tendency to miss the contextual factors surrounding the social and cultural aspects of the studied organizational phenomenon (ibid.). This was the key reason for which a qualitative method was selected, given the fact that the social and organizational context play an important role in the shaping of strategies within an entrepreneurial firm. As suggested by Eriksson and Kovalainen (2015), the strength of the qualitative approach is the ability to move between the various stages of research in light of new findings. This fact is crucial given that the study aims to explore a field where current research can still be considered as modest, for which scholars suggest a qualitative approach is more suitable (Eriksson and Kovalainen, 2008). Furthermore, the subtle notions underlying the intentions of a company to internationalize to a certain country could be hard to identify via a quantitative approach.

The in-depth case approach was chosen due to the nature of studies relating to emergent and deliberate strategies which usually form as a story of actions. The in-depth case study serves this purpose given the fact that it usually serves as a narrative story (Dyer and Wilkins, 1991). Saunders et. al. (2009) hint that cases are very often utilized in explanatory and exploratory research. Given the ‘how’ and ‘why’ questions that this thesis sought to answer, this approach was further justified under the case method. Furthermore, it is important to highlight that the case approach assumes the use of empirical evidence from a real organization, thus the availability of the proper case is critical (Myers, 2013). This issue is also tackled by Eriksson

and Kovalainen (2015), who note that a key aspect of qualitative research rests in gaining an in-depth access to data and the willingness of the organization or company to participate in the study. In the instance of this thesis, the right case was available and the willingness and data access was possible through my prior personal contacts with the key persons within the organization.

Even though authors such as Eisenhardt (1989) suggest using 4-10 cases in obtaining the optimal amount of data, Dyer and Wilkins (1991) claim that the usage of less cases with a greater level of depth can be just as effective. Myers (2013) also supports the notion that a single case can be used to provide generalizations based on research. Given the fact that the research focuses on the area of intentions, a deeper understanding of a single case company provides a more insightful approach into the sphere of emergent and deliberate actions rather than gaining surface level findings from multiple cases.

3.2 Research design

The findings of the study are based on two data sources: interviews with two founders and analysis of the internationalization documentation of the company. Each founder was interviewed two times. The first interviews with the founders were conducted in-person in order to facilitate trust building and gain their buy-in into the research. The subsequent interviews were conducted through Skype.

This use of multiple sources was undertaken in order to provide a more holistic view of the situation in the company and allowed for the construction of a narrative that provides insight into the strategic processes within the company. In this sense, I utilized a multi-source approach which allowed for a fuller understanding of the studied phenomena within the case. Myers (2013) advocates the usage of data collection based upon several sources as it allows for a deeper grounding and the analysis of various angles of a studied topic.

Given the condition mentioned in the previous paragraph, I carried out the interviews in two time-lagged stages to seek out deliberate and emergent actions of the company. The two stages of interviews were separated by the formalized business plan that the start-up developed. The time-lag established was three months, and derives from the time-frame in which the company planned to internationalize to its first markets abroad. Interviews with the two founders were carried out to understand the strategies relating to their international market selection. The time-lags allowed for cross-checking of the plans that the founders had at the start of the research with the realities that were present at the end of the study. Ultimately, I conducted a

total of four in-depth interviews and analysed two business plans. The interviews were transcribed after which they were theme coded and analysed. Thus, I undertook a thematic interview approach to the research.

I conducted the interviews in a semi-structure format in order to ensure an extent of flexibility in the data collection. This flexibility was crucial in assuring that the findings of the thesis were truly exploratory and that the interviewees felt the freedom to express their views in greater depth. A set of key topics along with guiding questions were developed. It is important to highlight that themes and topics within the interview questions, rather than the following the strict wording of each question, were prioritized. This approach was in line with the notions described by Eriksson and Kovalainen (2008).

These interviews were supplement with access to company communication and documents. In this case, the company mainly communicated through meetings, slack and emails. These sources did not serve as the fundamental basis of the findings, yet they did allow for a more holistic glimpse into the company's day-to-day operations.

3.3 Research philosophy

It is important to highlight the underlying assumptions of my approach. Erikson and Kovalainen (2008) point out five streams of potential research philosophies: positivism, constructionism, hermeneutics, postmodernism, and poststructuralism. This thesis utilized a research philosophy based on the notion of positivism (ibid.). The research assumed causality through which it sought to provide generalization, it utilized defined concepts such as the word count, assumed the independency of the observer and, finally, it focused on a single reality. All these factors are in line with the positivistic approach (ibid.).

Johnson and Duberley (2000) point to the fact that undertaking a positivistic approach to management studies is very common given the fact that this approach is mainly utilized due to the desire of researchers to formulate a clear truth through empirical research. One of the aims of this thesis was to provide general recommendations for practitioners through empirical field research.

The research further assumes the neutrality of the observer which rules out the critical theory approach and, subsequently, the constructivism approach (Riege, 2003). Additionally, the findings of the research are grounded as one reality with tangible constructions, thus contradicting with the critical theory and constructivism (Riege, 2003).

3.4 Limitations

The key limitation of this research is its generalizability given the single-case approach. However, this research approach was selected as it best serves the needs of understanding the conceptual framework presented previously which in itself is structured as a journey. Previous studies (Spence, 2003; Crick & Spence, 2005) did not employ an intensive case study approach, thus it would be interesting to scrutinize the phenomenon from this new research perspective. Understanding the various actions that occur throughout an extended period of time provides more insights and helps extend the current understanding of the phenomenon. Thus, the limitations are outweighed with the potential of deeper insight.

4. Findings

This section covers the most important findings from the interviews and company documentation analysis. The findings are structured in a narrative format given the nature of the research that was conducted which required a time lapsed perspective.

The first part provides an overview of the case company and focuses on the general remarks regarding internationalization as perceived by the founders. The aim of this section is to provide the backbone and context of subsequent discussion regarding the concrete plans and ideas that the founders and company had regarding international market expansion. The second part covers the period of ‘pre-formalization’, or the time before the start-up had a formalized internationalization strategy. A discussion of the initial insights on the internal market selection as presented in the newly formed business plan follows under the ‘formalization’ section. These insights are then cross-examined through additional interviews with founders, and subsequent developments in terms of internationalization are considered in the ‘post-formalization’ subsection.

The aim of this approach is to ascertain the motives and outcomes of the internationalization and international market selection activities within the firm. Finally, the fifth and closing part of the findings provides a visual summary of the narrative.

4.1. Company overview and perceptions of internationalization

4.1.1 Company overview

The case company is an early stage start-up that was officially established in March 2016. Thus, at the start of the research the company was roughly seven months old. The following sections provide deeper insight into the company’s area of operations, phase of development and organizational structure. At the start of the research, the start-up had already started to generate revenue, thus meaning that it already has a viable product in the market place. Furthermore, the start-up had received funding TEKES, a Finnish governmental body. This signalled that its idea and product had been validated by a third party.

The case company functions as an online market place linking two market sides; it is therefore by definition a two-sided platform (Hagiu, 2014). The main purpose of the platform is to link corporate trainers to corporations in a more efficient way. Thus, there is a clear distinction made between two of the company’s client groups: the corporations and the corporate trainers.

The company aims to reduce the friction that occurs in the industry of corporate training and coaching. The platform aims to provide a comprehensive data base for corporate trainers and use the corporations who have access to it as the money-generating side. In addition to this, the company aims to introduce measures which enhance the quality of service that the companies receive. This is done through the usage of corporate trainer rating systems, references, past training material and so forth. Therefore, a corporation is able to pick out the exact trainer for the exact issue it aims to solve. The trainer in return gains access to a wider array of customers and is able to display his/her competencies in an objective fashion.

4.1.1.1 Organizational Structure

While the organization grew by a few employees during the writing of the thesis, it is important to understand the general structure of the company before proceeding to the views of the internationalization within the company. The company has three founders. Two of the founders are based in Helsinki and focused on the business and sales aspect of the company while the third founder is based in Serbia and is responsible for the development and technology behind the platform. It is also interesting to note the nationalities of the founders, with one being Finnish, one being Ukrainian and finally one being Serbian. This is important to note, as, per literature, early-stage start-ups use their personal networks and market knowledge to target potential internationalization locations (Kuivalainen et al., 2012; Johanson and Vahlne, 2009).

The company is composed of 12 employees. The sales and marketing section consists of the two founders with the addition of two sales people focused on targeting the corporate clients and two marketers focused on targeting the corporate trainers. The sales people work under Founder A who is the head of sales, while the marketers report to Founder B, who is the CEO. It is also interesting to note that one of the marketers works out of Greece. The remaining five employees are focused on the technology and development side, including the third Founder, Founder C. This team is based in Serbia. At this stage, one can deduct how international the company already is with regards to its internal structure. As signalled by Harveston et al. (2000), these are all interesting characteristics that could potentially impact international market selection. Additionally, the start-up displays characteristics of the international new venture as discussed by Oviatt and McDougall (1994) by being international both within the organizational borders and outside of them. These factors could support the notion that the company would expand to multiple markets abroad.

The interviews that were conducted as part of the thesis were conducted with the two co-founders who were based in Helsinki and focused on the business aspect. The logic behind this decision was two-fold. Firstly, it was a matter of convenience and secondly, these were the two founders that would be more directly involved in the internationalization decisions as they were concentrated on the business side of the company.

4.1.2 View of internationalization

The managerial perception of internationalization is a key component that could influence the internationalization decisions of a company. In the view of authors such as Knight and Cavusgil (2004), the mentality of a company's decision makers with regards to internationalization has a very strong influence on the internationalization patterns of a company. Given these considerations, the next section considers the view of internationalization of the founders. For the purpose of the section, the paper makes a distinction between the views of founder A and founder B, when deemed as appropriate.

4.1.2.1 Differentiating based on platform side

At this early stage of research, a very insightful finding emerged. Both of the founders highlighted the fact that they consider internationalization and international market selection primarily based on the number of corporate clients. This meant that the founders did not account for the corporate trainers when talking about international market selection. The justification revolved around the fact that trainers are easy to find through various means and from any location. On the other hand, since the corporations had to pay in order to gain access they required more effort to acquire. It is interesting to understand this finding in light of the research conducted by Burgel and Murray (2000) who mention the fact that internationalization choices are often made based upon customer requirements. In this case, the trainers did not require the company to be physically present within the country in order to get them into the platform. On the other hand, since the businesses were expected to pay for the service, they also implicitly required the effort of direct sales and contact with the company. The quote from Founder A below reflects this observation:

'We do direct sales right now. Right now, we have 11 pilot customers and it's been, I wouldn't say easy, because even though most corporations see value in the product but there are still some issues. Big corporations are like big ships, the bigger it is the harder it is to turn or switch the course'

In practice, this meant that the start-up was primarily focusing on internationalization on the platform side that generated revenue and required higher acquisition effort. This is a logical deduction; however, it is interesting in that no previous research in the field of international market selection specifically identified this issue within the case of a multi-sided platform. Given this finding, one has to bear in mind that all subsequent discussions of international market selection are based on the assumption that the company only considers acquiring corporate client's in foreign countries as internationalization per se. This would also be in line with traditional internationalization literature which suggests the first form of internationalization entails sales, direct investments, or the establishment of contractual agreements in the form of licencing or R&D contracts in a foreign market (Johanson & Vahlne, 1977; Dunning, 1988; Pan & Tse, 2000). Given the fact that the trainers do not bring in any direct revenue to the company nor do they engage in the contractual agreements as noted above, only the acquiring of the revenue generating side should be considered as direct internationalization.

It was established that the company had around 170 corporate trainers in 27 countries and that most of these trainers had signed up via the platform themselves. This form of indirect internationalization can be described as highly emergent as there was no real intention from the side of the founders to for example pursue trainers in India. These network possibilities allowed the founders to overcome certain resource deficiencies without significant additional effort expenditures. Bell et. Al. (2004) noted that this form of resource deficiency patching through network utilization could be important in the case of small high-technology companies. One of the founders found that, with regards to this aspect:

‘We internationalize but not consciously. It just happened because it is a social platform in itself’

On the other hand, the founders stated that they had 11 corporate clients all based in Finland. Subsequent searches for new corporate partners would hold more intention, which this will be covered in subsequent stages of the thesis. The issue was covered at this stage as it something that no prior research had addressed and in itself created a duopoly in regard to the selection of the international market deliberacy level based upon the platform side that was being considered.

4.1.2.2 Localization of the platform

An important issue to cover at this stage also relates to the localization of the platform. The platform does not seem to need a high extent of localization given the fact that it is simply a connector of two market sides. One could consider issues such as governance rules as potential areas for localization depending on the regulations in each of the countries (Hagiu, 2014). However, the product itself does not seem to require much localization aside from perhaps language translation. Founder A made the following statement when asked whether or not the business is tied to a specific market:

‘The mainstream training categories which still make up for 90% of all training content people are searching for’

It is important to bear in mind that the case company was targeting big multinationals as part of its strategy. Thus, this quote also indirectly hints that the training needs of large transnational companies are relatively uniform. These support the notion that the localization of the product is not something that is of great importance when considering potential international markets.

What is perhaps more important from the localization perspective is the development of local sales teams that can contact the clients in the foreign market. The sales person understanding of the market is something that both Founders were aware of and the knowledge of the local language was important in their selection of the salespeople.

4.1.2.3 Attitude towards internationalization

The question regarding the view towards internationalization as a whole was only asked as part of the phase one interviews, thus it is not sub-divided into separate sections. It was important to consider the attitude towards internationalization as much of the research, as described in the literature review section, pointed towards the importance of the managerial perception towards internationalization as a potentially crucial factor in the process.

Both of the interviewees viewed internationalization as the only way forward in the company’s development. Founder A stated that:

‘It (internationalization) is not only important; it is imperative’

A crucial aspect according to Founder A was that the company was already international in the sense that it had an international team. Furthermore, the fact that the company already had trainers in 27 different countries had a deep impact on the view of the founders. They would

like to have operations in the places in which they already have some form of presence, however the fact that this would occur at a later scaling stage was noted.

Founder B also shared this enthusiasm by using phrases such as:

'I mean from the very beginning it was that we take over the world'

Both interviewee further pointed to the low potential in the Finnish market as one of the primary drivers behind seeking expansion in the early stages of the company's growth. This type of attitude is predicted by the findings of Cavusgil and Knight (2004) who point to the fact that small countries with small markets provide ideal conditions for the birth of born globals. Additionally, the founders seem to match the 'market entrepreneur' as described by Andersson (2000). This hints that the founders would be seen to aggressively seek new markets and implement a product push strategy in order to penetrate new markets quickly and grow their business. This type is reflected well in the following quote from Founder A:

'We may make some income in Finland, but just settling in here would be a) not business suicide but business stupidity b) we already have trainers from 27 countries so we don't want to turn into a graveyard of empty promises but we actually want to deliver them customers. Like everywhere around the world people need meta-products which we are selling. We are selling change and the change is already everywhere.'

It is also interesting to note that in case of platform businesses, the market entrepreneur approach to internationalization strategy would be expected to be quite common due to the low demand in localization of the product and the dependency on wide-scale traction. Additionally, it is noticeable that Founder A seems to have grand ideals about the products of the company and the change that it will allow. This is perhaps a result of the recent economic trends whereby billion-dollar platform businesses change the way the world operates. During the interviews, several references to these types of businesses were made by the Founder.

4.2 Pre-formalization

This section looks into greater depth with regards to the first internationalization efforts pursued by the case company, the key motivators driving the initial internationalization, views on potential internationalization locations, and finally concludes with a synthesis of the findings from the two interviews with the founders.

At this stage, it is interesting to note that the start-up didn't seem to have a cohesive internationalization strategy. The founders discussed the issue but no concrete document outlining the detailed expansion plan was present. The issues were simply discussed by the founders and cascaded down the organization.

'With the founders, we discuss quite a lot. It is usually Dima's initiative and then it is me, Dima and Milan starting to discuss what should be done when. Then we discuss it with the team...'

Jones (1999) proposed that not having explicit international expansion strategies may be the reality for many small companies. Instead, the strategy seems to have been implicitly discussed during the meetings between the founders. Furthermore, it is clear from the quote above that the founders themselves have the largest influence on how the informal strategy is shaped.

Additionally, communication means such as Slack were used to detect any potential market opportunities. The means of looking at internationalization was highly emergent in this sense. Some reports and analysis were also present on the company's Google Drive, yet the plans could be said to be quite scattered with regards to international market selection.

4.2.1 First Internationalization efforts

This section covers the first internationalization efforts that were conducted by the case firm. The first market which the start-up hoped to enter was the US in the summer of 2016. This effort was carried out prior to the interviews thus only post-factual data regarding the event could be gathered. This section is sub-divided into two parts: the first part focuses on the motivators for the given market selection while the second part looks with greater depth into the outcomes of the decision.

4.2.1.1 Motivators for selecting the US market

With regards to the motivators for consideration in general, both founders stated that one of the key factors driving the start-up to seek initial internationalization was an institutional factor; mainly speaking, the fact that no real business can be done in Finland during the summer holidays:

‘...in Finland, we have this thing called the summer holiday because we live in a social welfare state where people just want to spend time with their families and not care about anything else. All our customers went hiding to the forest so there was no business.’

This line of thought signals that seasonality within the business environment in Finland prompted the company to look to conducting business elsewhere. This is the type of environmental factor that is described by Kuivalainen et al. (2012a) to influence internationalization patterns. Additionally, it is worth to note that these environmental conditions could be seen to speed up the international market expansion for the company. Without the pressure of no business, the company could have perhaps stayed within Finland and further developed its product.

However, the specific reason for internationalizing to the US market was simply the size and level of development of the market. The promise of a huge potential market was something that seemed to drive the founders in selecting the market. This is in line with what Brouthers and Nakos (2005) advocate in terms of a more systematic approach to international market selection which could be deemed as an appropriate means of internationalizing. It is also interesting to note that none of the founders or employees of the firm at the time had any networks within the US. This finding is somewhat contrary to the proponents of a network internationalization view such as Coviello and Munro (1995).

Finally, the founders only considered starting the internationalization effort either in California or New York. The decision to go to New York over California could be traced to the limited resources at the disposal of the start-up.

‘New York was cheaper than California. It was so much more to go to California.’

Founder A simply admitted that the trip to California and the stay there would have been more expensive which is why it wasn’t selected. This form of resource constraint can be seen as a natural way of things for start-ups (Spence, 2003; Sharma & Blomstermo, 2003; Coviello & Munro). Furthermore, the usage of the words ‘so much more’ is interesting from a perspective analysis. The absolute cost of choosing California was probably not that much higher, however given the severe resource constraints of the firm at the time, even this potentially small additional sum could be seen to play a very strong role. This highlights the fact that in the early stages, even slight increases in resource usage have to have significantly higher returns in order to be justified or considered.

4.2.1.2 Outcomes of the internationalization efforts

The initial internationalization of the start-up failed in the aspect of conducting sales within the US. The three reasons which Founder A assumed to be at the root of this sales failure were: 1) a lack of resources, 2) lack of a cultural understanding, and 3) lack of networks. In addition to these factors, intense competition in the market could also have served as a potential barrier to entry. This is in line with what literature suggest as potential causes for internationalization effort failure.

Nevertheless, the company did manage to establish networks within the country which is hopes to utilize when internationalization in the future. In this case, the networks were established to promote both platform sides of the market, however an obvious focus from the side of the founders was on the corporate clients. This was the more difficult platform side to target and most of the connections made in the US market actually tied in more with the corporate trainer side.

Another interesting finding suggests that although many counterparties seemed interested in the product, they required a higher extent of verification. What this means in practice is that the company was to prove the worth of its product on the ‘home’ market first. Interestingly, this was one of the notions put forth by Madsen and Servais (1997) who suggested that born-globals use their base country as a sandbox for experimentation. This was something that the founders went back to Finland with and decided to first launch the product at home before trying any more expansion efforts.

‘I mean it definitely was a success as a learning and experience. Because now at least we know what to expect. If we haven’t had went, then we would have no clue what is waiting there.’

A final outcome of the effort was the fact that both of the founders had a hard encounter with reality and realized that in most cases they cannot simply internationalize to a foreign country with no prior networks or considerations with regards to market culture, market needs or competition. To an extent, the experienced served as an indicator of factors that had to be taken into account when selecting other potential internationalization locations. However, they did not give up upon the idea of entering the US market again at a point in the future where they would have the right resources and capabilities to do so.

Table 2 summarizes the key motivators, failure points as well as learning points from the company’s internationalization efforts to the US.

Table 2: Summary of initial internationalization efforts

Key motivators	Failure points	Learning points
<ol style="list-style-type: none"> 1. Environmental conditions in Finland 2. Market potential of the US 	<ol style="list-style-type: none"> 1. No local networks 2. No sales culture understanding 3. Unverified product 	<ol style="list-style-type: none"> 1. Role of market specificity 2. Importance of networks and ‘insidership’

4.2.2 Refocus of international market selection

This section is based on the first interview with Founder A which was conducted in late October 2016. It covers the findings relating to the key considerations with regards to international market expansion and to potential future markets.

4.2.2.1 Key considerations for market selection

Founder A believed that a large role in the future internationalization efforts of the company would be played by the networks that are available in various countries. The key consideration seemed to be the ease with which the networks could be exploited in order to enter the markets. This type of approach is more consistent with findings of scholars such as Spence (2003). The founder was concerned with the utilization of networks to help with initial sales traction but also with issues such as obtaining office space or seeking out the right local talents. A key consideration also seemed to be the size of the market and the potential traction which could be achieved by initially tapping into the larger markets.

4.2.2.2 Priority Markets

Due to the considerations discussed above, Founder A signalled that Germany could be a priority internationalization location. This was driven by the fact that the company currently utilized the German Chamber of Commerce in Helsinki from which it rented office space. This connection was thought to be potentially beneficial when trying to gain office space and credibility in the German market. Furthermore, the size of the German market was one of the key reasons for which Founder A referred back to entering that market first. This focus on network potential in new markets is highly aligned to the modern approach to internationalization that many scholars have recently taken (Johanson & Vahlne, 2009; Sharma, 2006; Zain & Ng, 2006). At this stage of research, it was interesting to bear this point in mind and verify whether the network potential did in fact have a crucial role in the selection of priority markets in future market selection processes which will be discussed in sections 4.3 and 4.4.

It is also interesting to note that Founder A believed that he could utilize in-incorporation networks to move into nearby Nordic countries. In a sense, the idea that a Nordic corporation utilizes the company's platform and then spreads it to its Nordic counterparties was held. This is an interesting finding as it suggests that Johanson and Vahlne's (1977) initial findings regarding internationalization to countries with close psychic distance still held true while coupled with more recent concepts regarding network based expansion (Johanson and Vahlne, 2012).

In terms of the path of expansion, Founder A suggested that the company would look to enter the Nordic markets in February/March 2017, then Germany in May/June 2017, and finally the US. Interestingly, it was also found that the strong networks in the US also motivated the Founder to push for the expansion to the US 'even in parallel' to the expansion to Germany.

4.2.3 Detecting the need for a strategy

An interview with Founder B, the CEO of the start-up, was conducted roughly three weeks after the initial interview with Founder A. The highly dynamic nature of start-ups could be detected at this early stage as Founder B had just attended the Slush start-up conference during which the start-up had several meetings with investors. These meetings highlighted the need for an internationalization strategy for the start-up. This section is based on the interview with Founder B and discusses the trigger moment for the need to have a concrete internationalization strategy, the views on past internationalization efforts and concepts as well as a look at future endeavours.

4.2.3.1 Trigger and lingering thoughts

'Well I wouldn't call it a strategy, we had an idea'

As compared to the initial interview with Founder A, Founder B strongly highlighted the need for an internationalization strategy. This need identification came as a result of the demand from investors for a clear vision of potential target markets. Founder A had begun to understand the importance of having a vision for market expansion which would be clearly communicated. Even though the Founders had previously discussed and considered several markets for expansion, a level of formalization and intention had to be made into a clear strategy. The investors provided an incentive for the start-up to start treating the issue more deliberately. In this sense, the developing of an internationalization strategy was an imposed strategy, as described by Mintzberg and Waters (1985). This is also an example of the influence of external factors on the strategy formation as described by Bell et al. (2004)

4.2.3.2 Views on past thought path

'I had some ideas, we had some ideas, but now....'

Having looked at what triggered the new thought path, it is also interesting to see how Founder B viewed the past internationalization efforts of the company. In the initial stage, it was clear that Founder B saw Germany as one of the most attractive potential internationalization. This was driven by two primary factors. Firstly, the Founder had lived in Germany and had connections in the market. The start-up was also based in the German Chamber of Commerce in Finland which was perceived as another potential source of contacts. Secondly, the market size was a significant motivator for considering the market. We can see here that the market attractiveness was evaluated both in terms of utilizing networks, as suggested by IB scholars (Johanson & Vahlne, 2009), but at the same time there was a strong focus on the market size, which is in line with IM literature (Brouthers and Nakos, 2005).

Founder B later highlighted the fact that the perception of the company shifted towards the US markets. The primary drivers in this case were two-fold: searching for investors and market size. The company had no prior contacts in the market and neither of the founders had any experience with regards to the market. Gaining new investors and growing at an exponential rate through the penetration of the US market were the initial ideas that the founders had when trying to internationalize to the market. This type of resource seeking in internationalization markets has previously been covered by authors such as Oviatt and McDougal (1994). In line with the notions put forth by Founder A, Founder B also highlighted the fact that the effort was a failure in terms of establishing direct sales in the location, however a success in terms of learning and establishing certain network connections which could be utilized in future internationalization efforts. The initial effort also highlighted the fact that the investors and potential clients in the US were very sceptical as they were looking to have a greater extent of proof that the product works. In this sense, the company was failing at establishing a trusted insider position in the market.

Founder B highlighted the fact that the initial internationalization location was thought to be Germany, later shifting to the US, Germany and China, respectively. When asked about the introduction of the Chinese market, the interviewee pointed to the heavy focus of organizational entities such as Finpro as a key driver motivating the selection. Additionally, the booming market was cited as a key factor in the consideration process. The Founder then went on to elaborate that the market selection was based on the logic that the company should

look to conquer the biggest markets on each continent; the US in America, Germany in Europe, and China in Asia. It is important to highlight the fact that these considerations were stated to be an idea and not a concrete strategy at the time.

4.2.3.3 Views on future efforts

A key future decision for Founder B after the Slush event seemed to revolve around the question of whether the company should pursue opportunities in developing or developed markets. Some of the key considerations that the Founder wanted to take into consideration regarded the market potential, but also issues such as the competitions or ease of sale. One of the most difficult decisions concerned whether or not the company should pursue the markets with the highest degree of potential and competition or whether smaller markets with lower levels of competition were the way to go. These issues were to be resolved through the joint efforts and discussions between the Founders.

A key issue that Founder B also hinted at is that the company wanted to have the product fine-tuned in the Finnish market before trying to conquer new locations. This type of approach, where a company uses the home market as the learning ground, is in line with what is suggested by literature looking into the topic of born globals (Madsen & Servais, 1997). The founder also highlighted that one potential way about looking into new markets would be to look at markets which are similar to the Finnish one – not too big, but developed. Overall, at this stage, the initial ideas concerning internationalization were up in the air due to the influence of the investor meetings. The formal strategizing meeting was to be held in January 2017 where all these issues would be discussed between the three founders. The output was assumed to be a comprehensive business plan with a section concerning internationalization. The main points from the business plan concerning internationalization is discussed in section 4.6.

4.2.4 Synthesis of views and plans

Before moving into the discussion of the notions held under the newly formed business plan, this section outlines the key internationalization paths that the two Founders highlighted in order to attain an understanding of the influencers on the formalized plan. It was interesting to note that both of the founders had a strong connection with the US market due to the promise of its size and potential growth. Both Founders also displayed the ‘market entrepreneur’ characteristics as described by Andersson (2000), thus signally that they were inclined to opt for a strong push expansion to foreign markets. However, in other terms, there were small differences in the approach to internationalization. Founder A favoured an expansion based on

a gradual entry into the markets that were most like Finland; starting with the Nordics. This type of plan is closely linked to the ideas of Johanson and Vahlne (1977) as proposed in their initial Uppsala model. On the other hand, Founder B seemed to have an approach based on identifying the markets with the highest levels of potential and targeting them. This is in line with the suggestions of Sakarya et al. (2006) regarding the use of future market potential as a key driving factor in selecting new markets. Another key dilemma that emerged concerned the selection of either the markets with potentially the highest levels of users but also highest levels of risk, or those that were easier and safer to internationalize to but presented a lower level of potential.

4.2.4.1 Country Mentions

As part of this section, a word count was conducted noting down the amount of times that a given country was mentioned. It is interesting in the respect that if the countries were to appear in future internationalization plans, their inception could be traced back to early phases in the development of the company. This was done as potential mentions of a certain nation signal that it could potentially be perceived as a future internationalization location. Furthermore, it was assumed that the more times that a given nation is cited, the more likely there was to be intention if it appeared in the formalized strategy. Table 3 below summarizes the countries that were mentioned in the two interviews. It notes the amount of times the country was mentioned by each interviewee and is sorted from largest to smallest with regards to the average mentions.

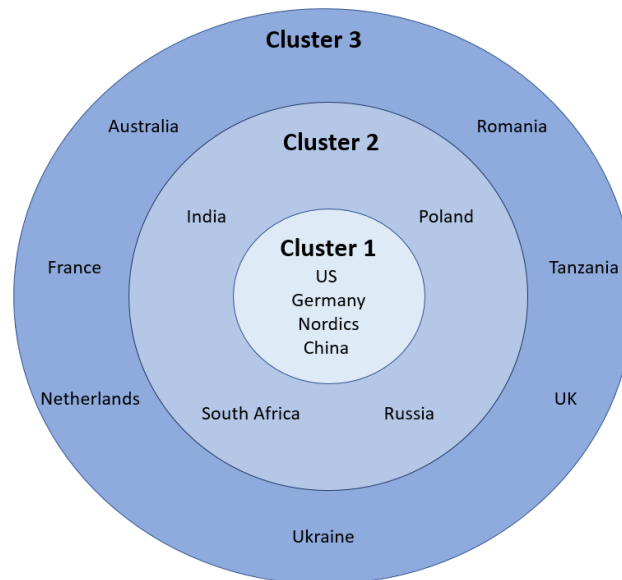
Table 3 – No. of country mentions

No.	Country	No. of Mentions		
		Founder A	Founder B	Average
1	US	13	24	18.5
2	Germany	8	12	10
3	Nordics	4	6	5
4	China	2	5	3.5
5	Norway	1	2	1.5
6	India	0	2	1
7	Poland	1	1	1
8	Russia	2	0	1
9	South Africa	0	2	1
10	Australia	1	0	0.5
11	France	1	0	0.5
12	Netherlands	0	1	0.5
13	Romania	0	1	0.5
14	Sweden	1	0	0.5
15	Tanzania	0	1	0.5
16	UK	1	0	0.5
17	Ukraine	0	1	0.5

4.2.4.2 Country clustering

Using the data from Table 2, the countries were grouped into three clusters. Cluster 1 represents the countries that were mentioned by both interviewees at least once. Cluster 2 countries represent countries that have been mentioned at least once by both respondents or at least two times by one respondent. And finally Cluster 3 countries represent the countries that only received a single mention by one of the Founders. Please see Figure 2 for a visual representation. Please also note that since both Sweden and Norway are in the Nordics, they are considered as part of that label. Additionally, both Founders also had a fairly unified vision of the Nordic countries, thus they could potentially be considered as a single internationalization location.

Figure 2 – Country Clusters



This data analysis was conducted prior to the formation of the formal internationalization plan of the company. The clustering shows certain patterns of thought that the Founders share. Firstly, it is noticeable that the countries in Cluster 1 are the ones with the highest market potential, barring the Nordics which were seen as the testing ground for the company. This focus on market potential suggests that the Founders carried out some form of systematic analysis and discussed internationalizing to these countries in greater depth with one another. Secondly, it is interesting to note that the countries within Cluster 2 seem to be countries which could be loosely classified as developing, thus suggesting that targeting this type of market profile is something which has been previously considered. Finally, the Cluster 3 countries seem to once again represent either countries with high market potential or developing nations.

Therefore, it is noticeable that the Founders of the company seemed to be inherently stuck in between the pursuit of internationalizing to developed countries with high market potential or developing markets with perceived untapped opportunities.

'I'm still interested in the US and Germany, because I feel that from a potential perspective it's probably the highest'

'We are big partner of the German Finnish chamber of commerce, so that could help quite a bit. But on the other hand, we have a partner in the US. On the other hand, China is a huge market but it's another planet. On the other hand, we met a person in slush who says that in south Africa you don't have standardized training and it's like messed up. And in a developing market if you sell to a monopoly you basically corner the entire market.'

This is a dilemma that was mentioned by Founder B in an interview, which signals that the informal international market selection discussions were in fact quite well aligned between the founders and they shared a common baseline for the strategy formalization stage. Furthermore, the quotes above signals that the Founders seem to be well aware of the different ways in which they could potentially select the top markets, thus the analysis with regards to which markets they pick and how they assign priority gains additional value.

Finally, given the analysis, it was expected that the countries from Cluster 1 would be predominantly featured in the business plan, thus signalling a higher level of intention. On the other hand, if countries which were contained in the lower clusters were included, a higher level of emergence could be anticipated. Furthermore, if countries that were not mentioned at all appeared in the business plan, a very high level of emergence could be assumed.

4.3 Formalizing of the strategy

This section of the findings discusses the insights that were gathered from analysing the newly formed business plan with a section on the internationalization strategy of the company. The plan was made available as a part of this research in early February, 2017.

4.3.1 Key assumptions of the strategy

The strategy identified four key international markets in a sequenced manner. The first ‘country’ to which the company strived to move into was identified as the Nordics. The strategy further elaborated that it aimed to target Stockholm as the initial internationalization location. The second country in the market expansion was to be the Netherlands, and more specifically, Amsterdam. Subsequent expansion was to be conducted to London in the UK, and finally, New York in the US. The timeframe for the internationalization efforts was established at 3 years.

The first internationalization location, Stockholm, was to serve as a proof of concept. Amsterdam was selected as it was perceived as a mid-sized market with a lot of international potential and early adopter culture. London was justified through its status as a hub for European business. Finally, the sheer market size was the justification for selecting New York as the final internationalization location. No plan beyond that was provided.

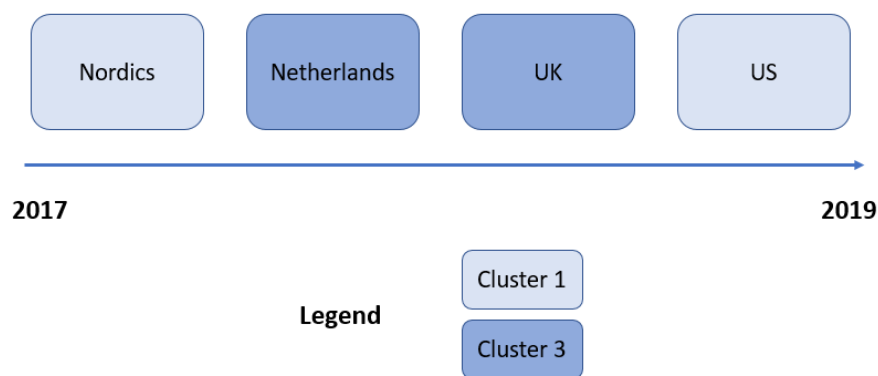
4.3.2 The strategy vs. initial ideation

It is interesting to note that the company’s strategy included two countries from Cluster 1, as identified in section 4.2.4.2, and two countries from Cluster 3. It is also important to note that the Cluster 1 countries form the first and final internationalization destination in the plan. These could be seen as the anchor points of the process. The business plan justifies the decision to select the Nordics as the initial internationalization location due to the low cultural and physical proximity. The key argument that is made for internationalizing to the US market is given as the size and potential of the gains that could be reaped from penetrating the space.

The plan sets out the reasons for selecting certain locations but does not explain the rationale between leaving certain countries, such as Germany, out of the internationalization plan. China is another previously strongly mentioned candidate which has been left out. The analysed document further does not tackle the logic between choosing developed markets over developing ones, a key issue that was identified in the first part of the research. These are all questions that required additional insights, thus formed the basis for some of the questions which were tackled as part of the subsequent interviews with the founders of the start-up.

Finally, it is noticeable that no countries from Cluster 2 could be identified as part of the new internationalization strategy. Furthermore, it is possible to note that no country which was not previously mentioned by at least one of the founders was part of the strategy. This is interesting as it represents a shift of favour towards high market potential developed nations. Furthermore, the clusters show that the nations which were most dominantly spoken about by the Founders were featured as part of the internationalization plan. This suggests that, in line with Jones (1999), both Founders were sure to have a certain level of informal discussions and plans with regards to internationalization prior to the formalization of the official business plan. Figure 3 below visualizes the internationalization plan assumptions along with the country's cluster analysis.

Figure 3 – Internationalization strategy as stipulated in the business plan



The findings from the analysis of the company's strategy were cross-verified with Founder B in a subsequent interview which is looked into in greater depth in the next section, section 4.4.

4.4 Post-formalization

This first part of this section is based upon an interview conducted with Founder B. The interview was conducted roughly a week after the formalized strategy analysis took. The findings in this section allow for a cross-verification between the initial ideas and the updated strategies contained within the business plan. This approach permits a greater depth in the triangulation of data. The section first covers some general remarks regarding the insights provided as part of the interview and later move into the discrepancies between the initial internationalization ideas and the newly formed ones. The reasons for Cluster 1 countries not being represented in the new plan as well as the upward move of certain Cluster 3 countries are discussed.

The second part of the section is grounded in the insights from an interview with Founder B that took place in April 2017. This date is explained by the fact that the company was supposed to be rolling out its internationalization activities by this time.

4.4.1 General Remarks

Before moving into a detailed analysis of some of the new ideas that were developed as part of the firm's internationalization plan, it is first important to look at some general remarks that came up as part of the interview with Founder B.

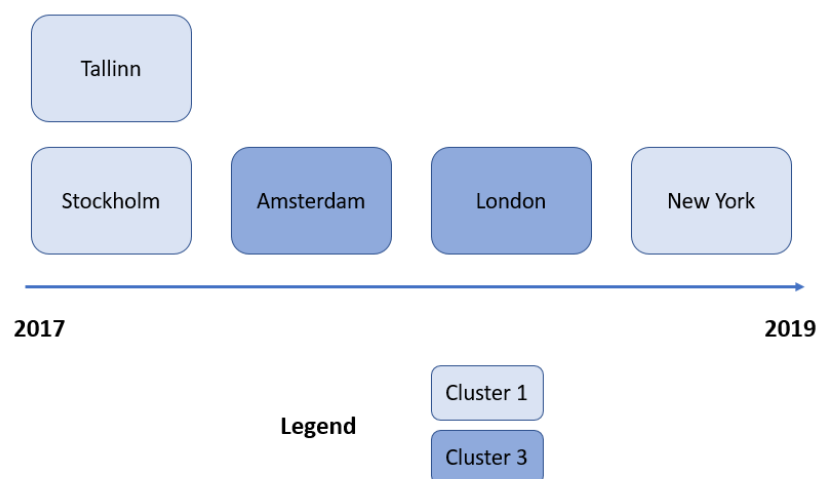
Firstly, Founder B very strongly highlighted the fact that the company was not targeting entire countries as their markets, but instead specific cities. The reason for this was two-fold. For one, the company wanted to internationalize into markets that were hubs for business. Thus, the concentration of large companies was crucial. By defining the location as the city, the Founders aimed to send a clear message to investors that the internationalization strategy was focused on moving into business hubs with large volumes of potential clients. Furthermore, Founder B highlighted that the company wanted to get the most value out of its efforts, therefore the selection of specific cities was also driven in part due to resource constraints.

Secondly, Founder B also highlighted the fact that the company was not looking at internationalizing to all Nordic countries, but only to Stockholm and Tallinn. The concrete motivations for these locations are discussed in section 4.4.2.1. It is also interesting to note that the company categorized Tallinn as part of the Nordics. When asked about this discrepancy, Founder B simply stated that Tallinn was in essence considered as part of the Nordic style culture.

The internationalization path that became apparent after the interview was slightly different than when compared with the company documentation. The path that was identified during the analysis of the interview is depicted in Figure 4 below. Please note that since Founder B referred to Tallinn as a Nordic country, it is still considered a Cluster 1 country as it was implicitly classified as a Nordic region country during initial interviews.

An additional aspect that can be noted from the new strategy is that the company clearly chose developed markets over the developing nations. As this was a major dilemma facing the Founders, the reasons behind this choice will also be covered throughout the sections.

Figure 4 – Internationalization strategy as discovered through interview



4.4.2 Cornerstone internationalization locations

One of the key findings from this part of the research is the identification of cornerstone internationalization locations. The term cornerstone refers to the markets which anchor the internationalization efforts. Founder B had a clearly identified starting point for the internationalization efforts and a clearly identified final goal. The locations in between these were seen as more loosely shaped, the further away in time the internationalization was to take place. Thus, while Founder B was quite set on internationalizing to the Amsterdam, London still seemed to be quite a big question mark. It is also interesting to note that the cornerstone locations in this case all come from Cluster 1 countries as identified in the previous parts of research. In this case, with Tallinn still being considered under the Nordic brand along with Stockholm. In simple words, the Founder seemed to have a clearly identified starting point and a clearly identified ending point, however the path from one to the other was more open for modification.

4.4.2.1 Nordics

There were several explanations for which the company chose Stockholm and Tallinn as the initial internationalization locations. The two key reasons for choosing these locations as the starting point of the internationalization effort were the physical proximity and the cultural proximity. These reasons were driven by the fact that the start-up had very scarce resources and the two countries were close and easy to travel to. Following this line of thought, Founder B stated that the key aim of firstly targeting these markets had to do with establishing international presence which could be later exploited to gain inner positions in a network and to receive a higher level of acceptability as an international company. The internationalization was also to serve the piloting of the product in markets which were close to home. This network credibility seeking is something which is covered by network theory literature on internationalization (Johanson and Vahlne, 2009).

‘I mean it’s weird but if we can prove that it works in three countries, even if we have one client in each, that’s better than just being a Finnish company, at that point we are an international company entering an international market’

It is interesting to note that within the phrasing of the statement above, Founder B mentioned that being in three countries is better than being ‘just’ a Finnish company. This wording signals that the Founder perceives the home location of the company as a potential disadvantage in gaining network insidership in other countries. This statement could have been made due to the fact that the Finnish market is rather small and that Finland is a rather peripheral country which compares unfavourably to businesses that could say that they are established in central locations with large markets. Thus, Founder B seems to have tied in the ease of establishing network insidership in host markets with the market size and perception of the home country.

On another note, the physical and cultural proximity seemed to have facilitated the selection of both Tallinn and Stockholm as internationalization locations. This approach is in line with traditional model of internationalization which highlight the importance of these distances (Johanson and Vahlne, 1977). The fact that the company had very limited resources and coupled with the Founder’s desire to carry out the initial internationalization on their own dictated the fact that physically close countries became primary target markets. The resource scarcity issue is in line with research conducted by scholars such as

4.4.2.2 US

The second anchor location that was identified as the US, specifically New York. The selection of New York as the internationalization destination can be explained through the experience that the founders had with the location in prior internationalization efforts. The set of drivers motivating this decision was vastly different than in the case of selecting the Nordics as the starting point. The US seemed to be identified by Founder A as one of the final international locations that would allow the company to reach a new level upon which other expansion decisions would not play a significant role.

'It (US) is, because it holds the biggest market. The best potential users. It just like, we would need a lot of firepower and users before we want to penetrate that market.'

The size of the US market was the primary motivator driving its choice as the ultimate internationalization location. Another notion that pointed towards the US was the perceived 'users'. The market potential and quality of users seemed to appear in tandem to Founder A, potentially signifying the assumption that the largest market was perceived as the one with the highest quality of customers. In a similar line, Founder B additionally stated that even though the company is not sure whether or not it will internationalize to the US within three years, they will eventually have to move into the market even if that is to take place further in the future. Thus, both of the founders seemed to be strongly aligned within their vision for the 'final' internationalization locations, thus suggesting this was a choice guided through their entrepreneurial vision, highlighting a high level of deliberacy.

4.4.2.3 Shifting away from Germany

When comparing the new plan with the initial interviews, it was noticeable that the newly formed strategy did not include Germany. Germany was considered a very likely possible internationalization location in the initial Founder interview stage. The location was not selected for three primary reasons: the market characteristics, the managerial perception, and the lower than initially assumed quality of networks.

One of the key reasons for which Germany was not included in the internationalization plan, as described by Founder B, was the fact that there was no perceived central business hub location to which the company could move into.

'I mean basically, it came down to Germany or the Netherlands. So why not Germany? It's because the economy is very geographically dispersed.'

Founder B pointed to the fact that a lot of the business is dispersed in Germany between cities such as Munich, Berlin, Frankfurt. Furthermore, another issue that was highlighted was the fact that most of the business hubs in Germany were dominated by German companies. Founder B saw it as harder to find the right launch city as well as the issue of overcoming cultural barriers when approaching German companies and not international ones.

A second key reason for the dropping of Germany as the internationalization was identified as personal preference of the Founders.

'We felt that culturally the Netherlands is closer to Finland than Germany is in some regard. It's still personal.'

Founder B explained the fact that the German culture simply did not fit in with the culture of the founders. One specific issue the Founder referred to was the fact that he felt that in Germany everything worked as it was based on fear of reappraisal and not trust. This was not in line with the market conditions in Finland and didn't sit well with the founders. This type of identification of markets is in line with the findings of Kuivalainen et. Al. (2012) who stress the importance of managerial perception when deciding on internationalization markets.

Finally, the third reason for which the idea of internationalizing to Germany was dropped resulted from a poorer quality of networks than initially assumed. This meant that the networks did not add much value added into the potential entry effort which in turn drove down the perceived ease with which the company could penetrate the market. Coupled with the dispersed nature of the German market, a clear trade-off favouring a better resource utilization was taken. Thus it could be noted that the resource constraints most likely influenced this decision. Founder B highlighted the fact that the networks that were present were mostly symbolic in nature. This is an interesting finding with regards to a quality or usefulness analysis of networks in light of internationalization. Johanson and Vahlne (2009) point to the importance of achieving the insidership in a given network, however no clear way of evaluating the value of networks is presented, which is what this finding highlighted.

4.4.2.4 Shifting away from China

One of the key dilemmas that Founder B seemed to struggle with during the first-round interviews concerned the issue of whether the company should pursue developing or developed markets. The internationalization plan, as discussed in section 4.3, only assumed selecting developed markets even though no reasoning was provided for the decision. Once Founder B was asked to assess this issue, there were several antecedents leading to the decision. These

also explain why China, which was classified as a potential Cluster 1 country in section 4.2.4.2, was not present in the formalized strategy. Furthermore, Founder B made a very interesting statement:

'It might be a good entry but I mean we are managing in Finland. It's a developed market. It would feel a bit like downgrading'

What is very important to note is the fact that the Founder could potentially be perceiving developing markets as a downgrade from current operations. Thus, the markets may be inherently less attractive as it has a negative connotation within the minds of the individuals leading the internationalization efforts. This highlights the importance of the managerial perspective on the matter of internationalization as advocated by Kuivalainen et al. (2012).

4.4.3 Intermediate internationalization locations

This section is referred to as the intermediate internationalization locations since this part of the strategy seemed to be the less grounded during the cross-examination. Founder B was not set on the internationalization locations that led from Stockholm/Tallinn to New York. The locations were selected on certain criteria that are discussed in more depth. This section covers the key decision criteria which led the company to pursue Amsterdam and London as the subsequent internationalization locations. Additionally, the section on the internationalization to Amsterdam looks into the steps that the start-up has already undertaken and planned to undertake as part of the initiative.

4.4.3.1 Internationalizing to Amsterdam

Founder B explained the decision to select Amsterdam as one of the primary internationalization locations using three key arguments. Firstly, Founder B argued that the market is culturally like the Finnish one. The key similarity was assumed to be the fact that business relationships tend to be built around trust between the two parties. Secondly, the market characteristics such as the level of English fluency and international nature of the city appealed to the Founder. These market characteristics can be seen as partially objective and partially subjective to the view of the Founder. Finally, the number of potential networks that could be exploited, given the fact that Amsterdam is seen as an international hub, exerted a large influence on the decision. The concentration of clients in one location would be allowed to maximize the potential benefits against the costs of the internationalization.

The company had already started initial internationalization efforts. A potential commission salesperson had been found to start leading the efforts. The salesperson was found through the

personal contacts of Founder B, however was not a prior consideration when deciding upon the location. This signals that networks do in fact act as potential eliminators of resource constraints as suggested by Bell et. al. (2004), yet they do not seem to be the make-or-break point in the decision regarding internationalization to a given market. Founder B stated that the aim would be to set up 15-20 sales meetings in the Netherlands in April 2017. The sales meetings would allow the start-up to get a feel for the market and then decided on whether it is an opportunity that is worth pursuing. Founder B also elaborated that if these meetings go poorly, it is likely that another potential internationalization location would replace Amsterdam. This line of thought provides evidence as to the replaceability of the internationalization locations that are not the cornerstone ones. Furthermore, it highlights the importance of developing contingency plans within the strategies pertaining to international market selection in small firms.

4.4.3.2 Internationalizing to London

London was included in the internationalization plan due to the fact that it was perceived as a business hub as well. Markedly, Founder B motioned that the internationalization to London is still perceived as a vague outline of what the company planned to do. The key reason for including it in the business plan seemed to be the reiteration of the company's desire to move into cities that serve as business hubs and highlight that throughout their business plan. Founder B openly expressed the view that the potential internationalization there is still under many question marks, especially given macro-economic factors such as Brexit.

'We never considered Dublin, so it's a valid point. Like personally, my naivety would be that at that point we would be able to go for the main target and I mean I don't how big Dublin really is'

Founder B was also asked why the decision was made for London over neighbouring cities which can also be perceived as hubs such as Dublin. No clear logic for the decision could be made, thus hinting a lower level of reasoning and logic that went into the decision-making process. It could also be taken as a case of the resource constraints hindering the potential exploration of all available internationalization options, in favour of those that were cognitively closest to the Founders. Additionally, the further the location, the surer the Founders were seen to be sure it would be easy to penetrate. To the Founders, getting over the initial internationalization efforts seemed to entail the opening of multiple new networks and more resources which would make all subsequent internationalizations simpler and smoother.

Once again, the further the internationalization efforts in time, the weaker the company's certainty regarding the market. This temporal aspect is interesting as it only seems to apply to apply to the intermediate internationalization locations. It does not seem to apply to the final cornerstone location, in the form of New York, as it is perceived as one of the ultimate goals.

4.4.4 Summary of market selection motivators

Table 4 presents a list of the countries (cities) mentioned in the initial internationalization plan along with the key motivators leading to their selection. It is noticeable that there are five critical factors motivating a given market: market proximity, cultural proximity, market potential, network potential, low-cost piloting and, finally, managerial preference. Market proximity is simply the physical distance to a given country. Cultural proximity refers to how close the culture of the target expansion market is to that of Finland, as perceived by the founders. Market potential is defined as the potential number of clients and revenues that could be achieved in the location. Network potential refers to the potential of building additional networks which allow for an insider position and quicker subsequent internationalization. Low-cost piloting refers to the ability of the start-up to test its products with minimal resource commitment. Finally, managerial preference refers to the higher valuing of a given location due to personal perceptions or expectations.

Table 4 – Summary of market selection motivators

Country	Motivator
Nordics – Stockholm, Tallinn	<ol style="list-style-type: none"> 1. Market proximity 2. Cultural proximity 3. Low-cost piloting potential
Netherlands – Amsterdam	<ol style="list-style-type: none"> 1. Market potential 2. Network potential 3. Cultural proximity 4. Managerial preference
UK – London	<ol style="list-style-type: none"> 1. Market potential 2. Network potential
US – New York	<ol style="list-style-type: none"> 1. Market potential 2. Network potential 3. Managerial preference

It is valuable to note that, network potential and market potential were the most common motivators for selecting a market. Each appearing as a reason for selecting a country three times. Cultural proximity and managerial preference were both listed twice, while market proximity and low-cost piloting only once. This provides insight into what motivators are most commonly looked into when selecting a given internationalization location.

4.4.5 Shifting cornerstone

A final interview with Founder A, which was conducted at the beginning of April, 2017 revealed that the company had shifted the initial internationalization location from the Nordics to Amsterdam. This, in essence, meant a shift of an initially intermediate location to a cornerstone one. The key reason for the company moving away from the Nordics was a lack of resources to internationalize to multiple countries simultaneously.

What is interesting is that, in the end, the Founders picked the markets for which they had a personal preference for or felt a connection to as their cornerstone locations. The Founders did not necessarily have highly potent networks in these markets, yet they saw them as ones which appealed to them personally, for which they had a ‘gut feeling’.

‘I also just love the Netherlands and it’s like if I wanted to fail somewhere, it would be there.’

This shift was also reflected within the newest business plan that was developed. In it, the Nordics were simply replaced by Amsterdam, with the product testing in international markets to be conducted at the location. This hints at the fact that in the new world, especially given the fact that the case company was a multi-sided platform, product testing could be carried out in any international market which the founders or the company deem to be culturally similar to their own previous experiences.

4.4.5.1 Amsterdam vs. the Nordics

One of the key arguments that arose when Founder A discussed the reasons for choosing Amsterdam over the Nordics was simply the network and market potential.

‘The Netherlands because it seems to be a foothold into Europe. It is very centralized, you can very easily go to places. Many big companies have their offices there. It seems to be very open culture also, and tech oriented, according to what we know.’

Amsterdam seemed to be a gateway into Europe. The start-up wanted to gain a foothold in the market and gain an insider status to leverage this in future efforts. Furthermore, the number of international firms, and large firms in general, appealed to the Founders. Given the resource

constraints, the Founders took the decision to try to enter a big market early and scale their product quicker. The low costs and physical proximity of Stockholm and Tallinn simply did not outweigh the network and market potential of Amsterdam. One also had the feeling that the Founders made this a make-or-break moment as they wanted to get their product verified in a larger foreign marketplace. The matching of the capabilities and needs of the start-up with the specific market conditions is a view that was advocated by traditional internationalization theory, as advocated through the eclectic model developed by Dunning (1988).

The Founders were already carrying out initial internationalization activities in an effort to penetrate the market. Sales meetings were set-up and initial market scoping was conducted. It was also interesting to note that the company considered moving its headquarters from Finland to Amsterdam if the internationalization was successful. This projection was motivated by the fact that the Founders wanted to be located in the market which generated more revenue in order to closely monitor the business there.

4.4.5.2 Plans for London

The internationalization plans for London were still very vague for the Founders. The most-pressing expansion, to Amsterdam, was the one that was prioritized. It seemed that macro-economic uncertainty, with the Brexit politics, seemed to raise questions about the future of London as an attractive market. An interesting statement was made by Founder A, when asked if London was the next contingency expansion location in case the efforts in Amsterdam failed:

‘So, if it fails in Amsterdam, that’s like then it is a very good question for me, is the world ready for it or did we fail to deliver the concept in a form that is actually beneficial... I doubt that I would go to London actually, I really really doubt that actually. ‘

In this sense, the initial internationalization location served as the testing ground for the product. Having it fail would in result in a reanalysis of the customer value proposition. This also serves to highlight the temporal issue behind long-term internationalization plans. In this case, the internationalization to London was only contingent of the internationalization to Amsterdam being a success. This highlights a high degree of emergence whereas one internationalization effort is highly dependent on another.

4.4.5.3 Plans for New York

Interestingly, the temporal aspect did not seem to play as significant role with regards to the final foreseeable internationalization location, New York. Founder A still highlighted the status of this market as the one that the company will be striving to penetrate. The reasons and

motivations for this remained the same during the whole research period. This signifies a high level of intention which is primarily driven by the ambitions of the Founders.

4.4.5.4 Other country plans

Supporting the view that the initial internationalization phase is more deliberate, it could be noted that no new countries, that were not mentioned in the initial internationalization plan, were considered as internationalization locations. All the focus of the Founders shifted to one market, from which they hoped to use as a springboard future internationalization efforts. When asked if the company has considered any new markets, Founder A stated:

'In a sense no. If this works out with Amsterdam... At that point, the question kind of is, does it matter that we are operating locally or not, it is a very good question actually...'

While this points to a more deliberate initial internationalization stage, at the same time it highlights the fact that the latter stages of international market selection would be more emergent. This also seems to be driven by the fact that the platform business would not necessarily have to localize much, thus it could scale very quickly to new markets once it has proven itself in the international arena.

Given the fact that no long-term plans and no new countries were considered suggests that future locations will simply be decided once the initial internationalization succeeds. This opens the potential to exploit networks that are developed in the initial phases. Once again, the usage of networks is something that the company seems to need to grow into. At the early stages, since it is an outsider, the current networks in a market are not nearly as important as the potential networks that the host country could provide. This is An interesting finding as it adds a layer to the research on international networks by stipulating the prioritization of network potential in the future over existing network potency in early stage internationalization.

4.5 Summary of findings section

Before moving into the discussion section, a short summary of the findings section is in place. The findings went through different stages in the development of the international market selection strategy at the case company.

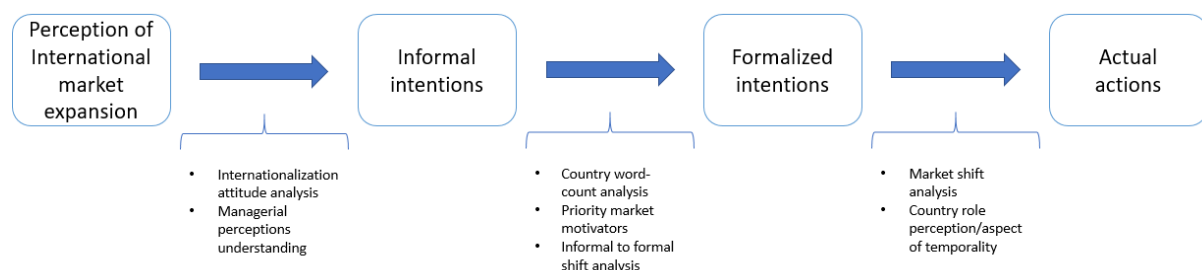
The first part considered the pre-formalized phase, under which the Founders had several broad visions of how they sought to expand to foreign markets and which ones they wanted to target. The section aligned with the notions advocated by Jones (1999) who highlighted the importance of understanding the unformalized aspects of the internationalization strategy. The section allowed for a clustering of the potential countries that would be expected to appear in the formalized plan given their implicit focus in the discussion of the founders.

The second part of the findings discussed the notions that appeared in the formalized business plan. It highlighted the difference between the pre-formalization ideas and the intended expansion path. This allowed for a deeper understanding of the alignment and discrepancies within the intentions and actual actions of the company, thus allowing for an analysis of the strategies under the emergence and deliberacy framework as described by Mintzberg and Waters (1985).

Finally, the post-formalization section covered the logic behind the shift in certain key markets, key motivators for the markets listed in the expansion plan, and finally looked into how closely the plan was being followed, once again allowing for the analysis of intentions vs. actual actions.

Figure 5 presents the key stages of the thesis findings along with the analysis which took place from one stage to the next.

Figure 5 – Findings section analysis overview



5. Discussion

This discussion section aims to highlight some of the key findings in light of existing theory and discuss the contributions that it holds. However, it will begin with a revisiting of the initial conceptual framework and provides an updated visualization.

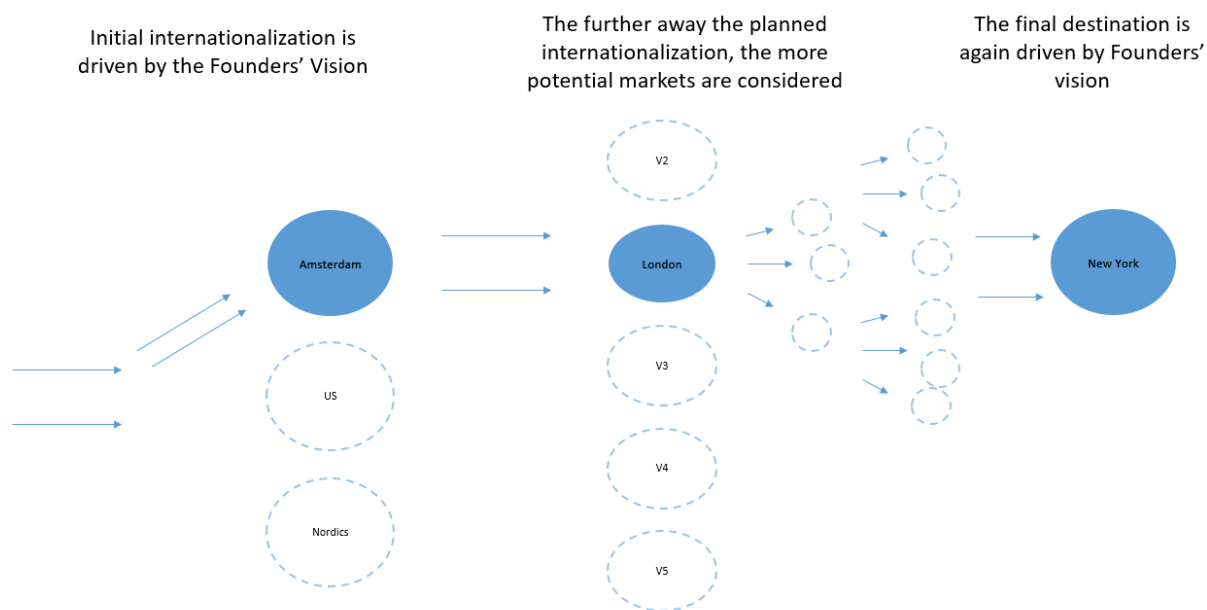
5.1 Revisiting the conceptual framework

In the initial internationalization model, it was assumed that the early internationalization decisions are more deliberate as they follow the founders' vision and internal resource constraints. This is in line with research highlighting the importance of the managerial perception of market expansion, as highlighted by scholars such as Kuivalainen et al. (2012,b) or Knight and Cavusgil (2004). The resource constraints that are faced by start-ups are usually an inherent part of their daily operations (McDougall et. Al. 1994). Post initial internationalization, it was assumed that an umbrella strategy would take place. This notion was put forth as it was assumed that the start-up would be able to gain more networks which would allow for more emergence in expansion strategy. In this sense, it was assumed that networks breed more networks (Zain & Ng, 2006).

In the revisited model, the initial internationalization does in fact follow an entrepreneurial strategy path as described by Mintzberg and Waters (1985). This could be noted from the findings when the case company shifted its focus from the US to Nordics, and then finally to Amsterdam. Thus, even though the strategy appears emergent, it was in fact a series of pre-determined decisions made by the founders. The temporal aspect in the case of this research is very important to note with potential international markets being less clear, the more distant the perceived internationalization would take place. Thus, the model also assumes that the further along a company is in its internationalization, the less obvious the future markets seem to be. What is interesting to note however, is the fact that the 'final' internationalization target seems to be clearly defined by the Founders' vision. In this case, the Founders' saw the US as the ultimate internationalization location after they had established a foothold in Europe and had sufficient resources to tackle the market. Again, this issue has an indirect connection to network theory, under which the start-up feels that it should have a better market position with stronger influence in order to appear as a strong market contender when entering a tough market (Johanson & Vahlne, 2009; Zain & Ng, 2006). When confronted with what happens after internationalizing to the US, the start-up did not seem to have a clear plan as they assumed that at that point, they could move into any market based on the opportunities that arise. This once

again supports the notion that internationalization in the early stages of a company's lifecycle could in fact be more deliberate than in later stages due to the ability to exploit networks and opportunities once firmly established. For a depiction of the revisited theoretical framework please refer to Figure 6 below.

Figure 6 – Revisited conceptual framework



5.2 Contributions

The thesis has several important contributions. The wide scope of contributions can be linked to the fact that it tried to explore an area of study which has not received much prior attention. Spence (2003) looked into the deliberacy of internationalization within high technology companies in Canada, yet this did not look into multi-sided platforms specifically. Furthermore, the prior studies can be considered dated. This thesis aimed to explore the field within a new context, that of Finland, and using a latitudinal approach. The latitudinal approach which based upon tracking the development and execution of the internationalization efforts at the case company through a period of 6 months, allowed for richer findings with regards to the sphere of deliberacy.

5.2.1 Academic

In an academic sense, the contributions can be applied to the following issues: deliberacy and emergence, multi-sided platforms, international marketing, internationalization frameworks, and finally on born-globals. The contributions to each of these areas are discussed in greater detail below.

5.2.1.1 Deliberacy and emergence

The findings of this research highlighted the fact that deliberacy in international market selection decisions in a nascent multi-sided platform business are driven primarily through resource constraints and managerial perception. The resource constraints create a scenario under which the company heavily analyses its market selection. This can be explained by the fact that the founders of the company want to receive maximum utility from the resources they commit. The resource constraint view and the maximization of value from the exploitation of internal capabilities and locational advantages is in line with the theories put forth by Dunning (1988). The findings go against those of Spence (2003) who argued for a rapid and opportunistic exploitation of markets through networks. The managerial perception is also very important at this stage, as the international market selection is defined by the visions of how the founders believe that the company should expand, and how they define attractive markets. These factors have been highlighted as significant by prior research by as Kuivalainen et al. (2012,b) or Knight and Cavusgil (2004). In the case company, this could be noted when the decision over whether to expand to developing or developed markets was made. Under this decision, the founders selected the developed markets due to their personal preference for them.

However, elements of emergence could also be noted. Most notably, the switching of the initial cornerstone location from the Nordics to Amsterdam. This decision was driven by the will to focus efforts, and the proximity of the Nordics markets could not compete with the market and network potential that Amsterdam held. This highlights the fact that cultural and market proximity might not play a key role in international market selection as advocated by Johanson and Vahlne (1997) or Seppanen (2012). Even though this course of action can be denoted as emergent, the case-company did not drop internationalizing to the Nordics for a newly appeared market, it simply skipped the location in favour of the one which was meant to take place next.

5.2.1.2 On multi-sided platforms

One of the most important contributions of this thesis was that it highlighted the need to further understand the process of internationalization for high-technology multi-sided platforms. Even though there are numerous article regarding strategizing with MSPs, such as those published by Hagi (2014), only several articles, such as those written by Seppanen (2012) or Jones and Onetti et. Al. (2010), touch upon the topic of internationalization of these businesses. It is reasonable to state that no prior literature had given the issue much attention, however the topic is one that is important from both an academic and practical perspective. For academics, it

opens up a new field of research with regards to internationalization in a modern age with born global multi-sided platform start-ups growing in importance (Hagiu, 2014; Onetti et. Al., 2010). Simply understanding what constitutes internationalization in the perspective of a MSP forms an important contribution to current scholarly work.

Given the condition above, it was also interesting to note that the internationalization process was much more emergent for the platform side which did not constitute the money-side of the business. This was also linked to the fact that the company did not have to commit significant resources to the acquisition of this side. On the other hand, the internationalization process was much more deliberate with regards to the selection of the market based on the money-side.

5.2.1.3 International marketing

In the literature review section, the thesis covered the three approaches to international market selection as proposed by international marketing scholars: the network based view, the holistic approach and the systematic approach. As a recap, the network based view is closely tied to the approach of international business scholars, whereby a market should be selected based upon the potency of the networks available (Johanson & Vahlne, 2009; Coviello & Munro, 1997). The holistic approach takes on the view that in addition to micro-analysis of a market, a macro-analysis of a country should be undertaken (Sakarya et al., 2006). Finally, the systematic approach advocates an approach based on the application and screening of countries upon objective data (Brouthers & Nakos, 2005).

None of these approaches seemed to be perfectly representative of how the case company studied as part of this thesis carried out the market selection. However, elements of each approach could be noted. The company did look at the market potential, size and number of potential competitors when selecting a market, thus providing findings in line with the systematic approach as advocated by Brouthers and Nakos (2005). On the other hand, the company did also look at potential networks within given countries, as in line with the network approach, yet it did not choose to utilize them. Finally, the Founders of the company were well aware of the macro-factors that might affect the attractiveness of a given market, which is in line with the holistic approach (Sakarya et al., 2006). The best example of this was the selection of London as a potential internationalization location despite of Brexit.

One final one should make with regards to the findings is that the managerial perception of the world had a high impact on the international location selection. When we talk about international market selection, especially in terms of the holistic and systematic approach, it is

assumed that all the possible countries start from the same point and are all considered. However, at this point it is important to note that not all countries were considered by the founders; the ones that were, either came from report data or from their own perception of world. This could be best portrayed when looking at the criteria for selecting London over, for example, Dublin which was not even considered by the founders. This point serves to advocate the view that, especially in start-ups, a lot of the decisions have to be made with limited resources, thus judgement calls and less systematic means of assessment become more widespread. This, therefore, signals the need for the field to develop a more managerial perspective to international market selection within the international marketing field.

5.2.1.4 On internationalization frameworks

The research conducted suggests the need to introduce internationalization frameworks which better suit the specific context of technology enabled multi-sided platforms. No prior research has looked into the internationalization paths of technology enabled MSPs, with emphasis on the early stages of expansion. Furthermore, there is a need for research to look into the interplay of the different market sides in the decisions surrounding international market selection. More specifically, a deeper understanding of which side drives the decision criteria should be covered. The findings of this thesis suggest that the side which constitutes the money-side of the platform is the one that decisions are based upon simply due to the fact that direct sales usually need to occur in the early phase.

A further contribution that this research provides relates to the introduction of the ‘cornerstone’ internationalization concept, by which a company seems to have a clear starting and ending point of its internationalization with less clarity on the markets it enters in the path. This contribution links back to the previous paragraph as it connects with the money-making side of the platform. Moreover, the findings of this thesis suggest that the first cornerstone internationalization location is likely to be one that is physically and culturally close. This is in line with the suggestions of the initial Uppsala model (Johanson and Vahlne, 1977). The primary reason for this form of expansion does not seem to be the prior networks or market potential, yet simply the drive to gain the status of an international company within the boundaries of resource constraints. In this sense, the company seeks to maximize the network benefits it can obtain through its market selection choice. These are motivators that are in line with both the network theory approach and eclectic approach (Johanson & Vahlne, 2009; Dunning, 1988). In line with Crick and Spence (2005), this thesis stipulates the idea that the

internationalization of small technology companies should be looked upon with the lens of both modern and traditional internationalization frameworks.

5.2.1.5 On born globals

Born global research has a high emphasis on spontaneous opportunity seeking and exploitation. The findings of this research suggest that this only occurs after initial internationalization activities. The first international market expansion of a company is more deliberate and focused as it is driven by resource constraints. Furthermore, managerial preference seems to play a much more important role in the initial activities due to the perception of potential market size, cultural proximity, and cognitive assessment of the host country. This is in line with the notions put forth by Harveston et al. (2009) who highlighted the importance of founder characteristics in the process of international market selection.

In previous literature, too much focus had been given to the role of networks within internationalization. Even though they are a vital part of the process, the notion that the managerial perception of the motives and outcomes of an internationalization along with the resource constraints should be highlighted to a greater extent.

This finding suggests that the holistic model, as introduced by Kuivalainen et al. (2012, b), which considers managerial mindset as one of the key factors in international market selection, is more applicable to the early stage internationalization activities of a born global as compared to the popular network model. The network model does not work best with early stage born globals simply because, even though opportunities in the market might arise, the start-up might not have the necessary resources to utilize the opportunities; thus, it has to pick a location which allows it to get the most of its limited resources as suggested by traditional theories such as the eclectic theory advocated by Dunning (1988).

5.2.2 Practitioner

From the perspective of a practitioner, this thesis yields several implications with regards to international market selection at a nascent multi-sided platform start-up. The recommendations presented here serve to aid entrepreneurs in thinking about early strategizing with regards to international markets.

Firstly, the thesis highlighted the need for a more deliberate strategy development with regards to internationalization. As highlighted by the case company, investors often require an expansion plan that takes into consideration foreign markets. This means that the company should have a clear plan with regards to its internationalization when approaching investors. This allows for more credibility and thus a higher chance of gaining potential investments.

Secondly, from a practitioner perspective, it is important to select the first internationalization location based on its market and network potential. The market potential in this case should be looked upon from the perspective of the quality of networks in the given country as well as the ease with which these networks could be exploited in future internationalization processes. At this stage, it is also important to note that managerial perception has a high impact on the evaluation of these criteria, thus any potential business founders should be aware of their own biases. Even though these biases are not necessarily harmful, it is important to understand them before receiving cross-examination questions from potential interest groups, such as investors or potential clients. A formalization of the plans could therefore also be used as a tool in understanding the underlying assumptions that the entrepreneurs make.

Thirdly, the thesis emphasised the need to focus on one market in initial internationalization efforts in order to maximize resource usage. Diluting attention often leads to a poor utilization of internal capabilities and leads back to focusing on the key market. Therefore, it would be beneficial if one market, selected on the basis of the criteria mentioned in the previous paragraph, was focused on from the beginning. If efforts to that market fail, then another one should be selected. Similarly, if efforts succeed, then the next market should be selected. Thus, the findings of this thesis suggest that this should be done in a sequential manner, and not through simultaneous internationalization efforts to multiple locations at once.

Finally, the findings of this thesis suggest that selecting international markets could be more efficient if the parameters constituting an attractive market are more highly weighted for the side which serves as the money side of the business. Perceiving the concept of internationalization based on the side which provides most value and is hardest to obtain is

a notion that is advocated by this thesis. As highlighted by the case company, obtaining the non-revenue generating side appears much easier as there are no barriers for the participants of that side to join the platform. The money-making side usually requires some form of direct sales, at least during the initial stages, in order to get the first participants. Therefore, selecting an international market should be centred around the issue of the revenue-generating side. This again supports the need for a more formalized selection process which allows for the formal analysis of the value that various sides provide and the resources needed to acquire them in a foreign market.

6. Conclusion

The conclusions section provides a synthesis of the key take-aways from the thesis, its limitations as well as suggestions regarding topics that should be addressed in future studies.

6.1 Key take-aways

This thesis set out to explore how emergent and how deliberate the international market selection strategy of a multi-sided start-up is. In line with Spence (2003), it could be seen to be both. In contrast to the findings of Spence (2003), the role of existing networks did not seem to play a significant role in initial internationalization. Additionally, this thesis went further in understanding which parts of the internationalization process are more or less emergent. As hypothesized in the initial conceptual framework, the first internationalization efforts could be seen as deliberate to a much higher extent due to the limited resources and need to prioritize that occurs within the start-up arena. The start-up may have limited network connections, which acts as a further resource constraint. The further the internationalization seemed to be, the more likely it was to be emergent. This can be explained by the fact that the company would gradually acquire more resources and have higher quality networks. The only exception seemed to be the ‘final’ internationalization location that the Founders and thus the company perceived as a form of a holy grail. The entrepreneurial strategy is thus applicable, as advocated by Mintzberg and Waters (1985). Even though this form of a strategy has elements of emergency, it is still largely deliberate as it is driven by the vision of the founders.

Secondly, the thesis suggests that internationalization within high-technology start-ups should be based on a sequential pattern, given their resource constraints. The main argument behind this approach is the fact that even though there may be opportunities in the network, the company may not have the right resources to exploit these network capabilities. Attempting to tackle multiple markets at once may hinder the ability of the start-up to successfully penetrate a single market. Thus, the view that initial market selection should be more deliberate and planned is advocated.

Finally, a key take-away deals with the issue of strategizing with MSP businesses. It is interesting to note how the issue of internationalization is tackled when the issue of considering multiple platform sides comes into play. This is also relevant when considering the current available internationalization models, which do not address this issue. One of the key notions

that this thesis advocates is the selection of international markets based upon the attractiveness of the market based upon the characteristics which define the money-making side.

6.2 Limitations

The research conducted has certain limitations. Firstly, it would be interesting to carry out the research for an extended period of time. Due to certain constraints, the development and implementation of the internationalization strategy at the firm could only be studied over a span of 6 months. A further look into the development of the strategy over the years would most likely generate a greater number of insightful findings.

A second major limitation of the research is that it only looked within the processes of a single firm. The research was focused on a single company within one industry. A look into other companies within a wider range of industries could potentially mitigate the limitation arising as a result of this. Therefore, a more thorough longitudinal study could potential allow for greater generalizability of the findings.

Finally, the studied field is very diverse with a large volume of data and sources present. This inherently leads to the potential of missing certain aspects within both the literature as well as from the analysis of the data points that form the findings section. The research aimed to be as comprehensive as possible, yet this threat is always a possibility when exploring a field as broad as internationalization.

6.3 Suggestions for future research

From the perspective of management, there is a need to understand the internationalization strategy from the formation of a company to its current development stage. This need is driven by the possibility of understanding what paths work best and deliver enhanced performance. This approach is difficult, as it would be most beneficial to track these developments from the inception of the firm in real-time in order to provide the most objective views that are not skewed through time-degradation. This thesis has sought to utilize this approach; however, a longer time-frame should be considered in order to fully understand the impact that these early decisions have.

Additional research into the deliberacy and emergence of international markets based on platform-sides should be carried out. Categorizing the internationalization of a firm using a multi-stage approach could yield significant value for both practitioners and academics. Exploring the adequate level of planning and deliberacy with regards to international market

selection at different stages of the firm's development could allow for recommendations that optimize international expansion.

Furthermore, it would be desirable to look at the internationalization of a multi-sided platform through the lens of the two different market sides. This thesis highlighted the fact that multi-sided platforms seek international markets from the perspective of the platform side that is the revenue-generating side as it is harder to acquire. Questions with regards to exactly how markets should be selected in the case of multiple platform sides also arise. This would be especially interesting to study in regard to platforms which have more than one revenue generating side. The trade-offs between the potential for one side over another in a given market could unravel findings with regards to strategizing within multi-sided platforms. It would also be beneficial to seek examples of companies that shifted their internationalization selection focus based on a changing prioritization of platform sides in order to understand the drivers of international market attractiveness in changing organizational circumstances.

Moreover, it would be interesting to study the impact of an influx of resources on the international market selection strategizing within a start-up. Analysing whether the new resources do in fact make the international market selection more emergent could verify the findings of this thesis. The level of emergence given different levels of resource availability could be highly insightful especially for agencies supporting and promoting the growth of start-ups.

For the sphere of international business, an understanding of the internationalization process, as carried out by a multi-sided platform, should be developed. The current frameworks do not seem to address this issue with enough depth. Given the recent growth of platform businesses, a comprehensive internationalization model fitting into their specific context should be developed. Perhaps, a new definition of internationalization which encompasses both sides of a platform could potentially be developed, given the fact that under current doctrine, only the expanding in search of the revenue generating side would rightly constitute direct internationalization.

Furthermore, understanding the extent to which localization is applicable to these types of businesses would constitute an interesting study stream. Research in this field could identify the level of constraints that the firm faces inherently through its product specifics versus the level of constraints connected with external factors such as funding. This analysis could serve

to expand the resource based view of internationalization in a more modern setting of multi-sided platforms start-ups.

Finally, an additional insight that this thesis presented is that the future network potential in a market may be more important than the present networks that the firm has in the country. Thus, a deeper understanding of the type of networks which appear attractive in foreign market expansions, especially in the early-stages, could be valuable. This deeper understanding could aid the development of the right incentive systems in order to promote the growth and expansion of start-ups.

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